

# NUVEST CAPITAL MANAGEMENT

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This Form ADV Part 2A Firm Brochure Item 1 cover page and following Items provides information about the qualifications and business practices of Nuvest Capital Management. If you have any questions about the contents of this brochure, please contact Steven Alexson by telephone at 949-706-7228 or by email at [steve@nuvestcapital.com](mailto:steve@nuvestcapital.com). The information in this brochure has not been approved or verified by the United States Securities and Exchange Commission or by any State Securities Authority. Additional information about Nuvest Capital Management also is available on the SEC's website at [www.adviserinfo.sec.gov](http://www.adviserinfo.sec.gov) by searching CRD #308496.

Please note that the use of the term “registered investment adviser” and description of Nuvest Capital Management and/or our associates as “registered” does not imply a certain level of skill or training. You are encouraged to review this Brochure and Brochure Supplements for our firm’s associates who advise you for more information on the qualifications of our firm and its employees.

Date April, 2020

**Item 2: Material Changes to Our Part 2A of Form ADV: Firm Brochure**

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Nuvest Capital Management is required to advise you of any material changes to our Firm Brochure (“Brochure”) from our last annual update, identify those changes on the cover page of our Brochure or on the page immediately following the cover page, or in a separate communication accompanying our Brochure. We must state clearly that we are discussing only material changes since the last annual update of our Brochure, and we must provide the date of the last annual update of our Brochure.

Please note that we do not have to provide this information to a client or prospective client who has not received a previous version of our brochure.

We are a newly registered investment adviser and do not have material changes at this time.

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## **Item 4: Advisory Business**

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Our firm is dedicated to providing individuals and other types of clients with a wide array of investment advisory services. Nuvest Capital Management (“NCM”) is a Limited Liability Company formed under the laws of the State of Delaware in 2020. Our firm is wholly owned by Steven Alexson and Richard Cowan.

Our firm provides asset management, financial planning and consulting, family office services, and retirement plan consulting for many different types of clients to help meet their financial goals while remaining sensitive to risk tolerance and time horizons. As a fiduciary it is our duty to always act in the client’s best interest. This is accomplished in part by knowing the client. Our firm has established a service-orientated advisory practice with open lines of communication. Working with clients to understand their investment objectives while educating them about our process, facilitates the kind of working relationship we value.

We are a newly formed investment adviser and do not have managed assets as of April 7, 2020.

### Types of Advisory Services We Offer:

#### Asset Management:

Nuvest Capital Management emphasizes continuous and regular account supervision. As part of our asset management service, we generally create a portfolio, consisting of individual stocks or bonds, exchange traded funds (“ETFs”), options, mutual funds and other public and private securities or investments. We also offer single stock management. We offer individualized investment advice as well as model portfolios. The client’s individual investment strategy is tailored to their specific needs and may include some or all the previously mentioned securities. Each discretionary portfolio will be initially designed to meet a particular investment goal, which we determine to be suitable to the client’s circumstances. Once the appropriate portfolio has been determined, we review the portfolio at least quarterly and if necessary, rebalance the portfolio based upon the client’s individual needs, stated goals and objectives. Each discretionary client has the opportunity to place reasonable restrictions on the types of investments to be held in the portfolio. Non-Discretionary clients will determine the entirety of their portfolio. We may utilize Independent Money Managers, where we design an investment portfolio on a fee-only basis for a percentage of assets in conjunction with another investment advisory firm. Before selecting other advisers, we make sure that the other advisers are properly licensed or registered. Each client has the opportunity to place reasonable restrictions on the types of investments to be held in the portfolio. Restrictions on investments in certain securities or types of securities may not be possible due to the level of difficulty this would entail in managing the account.

#### Financial Planning and Consulting:

We provide a variety of financial planning and consulting services to individuals, families and other clients regarding the management of their financial resources based upon an analysis of client’s current situation, goals, and objectives. Generally, such financial planning services will involve preparing a financial plan or rendering a financial consultation for clients based on the client’s financial goals and objectives. This planning or consulting may encompass one or more of the following areas: Investment Planning, Retirement Planning, Estate Planning, Charitable Planning, Education Planning, Corporate and Personal Tax Planning, Cost Segregation Study, Corporate Structure, Real Estate Analysis, Mortgage/Debt Analysis, Insurance Analysis, Lines of Credit Evaluation, Business and Personal Financial Planning.

Our written financial plans or financial consultations rendered to clients usually include general recommendations for a course of activity or specific actions to be taken by the clients. For example, recommendations may be made that the clients begin or revise investment programs, create or revise wills or trusts, obtain or revise insurance coverage, commence or alter retirement savings, or establish education or charitable giving programs. It should also be noted that we refer clients to an accountant, attorney or other

specialist, as necessary for non-advisory related services. For written financial planning engagements, we provide our clients with a written summary of their financial situation, observations, and recommendations. For financial consulting engagements, we usually do not provide our clients with a written summary of our observations and recommendations as the process is less formal than our planning service. The client is under no obligation to act upon the investment adviser's recommendation. If the client elects to act on our recommendations, the client is under no obligation to effect the transaction through us.

CCR Section 260.235.2 requires that we disclose to our financial planning clients that a conflict of interest exists between us and our clients. The client is under no obligation to act upon the investment adviser's recommendation. If the client elects to act on our recommendations, the client is under no obligation to effect the transaction through us.

#### Family Office Services:

Nuvest Capital Management offers dedicated professional services devoted to the investment, legacy and personal needs of wealthy families taking total control and privacy of the family's personal and business affairs, buffering the family from undesired worry of managing their estates and build a sustainable family legacy. The services offered may include among other things:

#### Investment Portfolio Management

Reporting and analysis of investment performance

Tracking and Oversight

- Consolidated Record of all major Assets with an inventory of all documents, Annual reports, Trusts, corporate and entity documents.
- Detailed Organization of Financial Affairs including assistance with major financial decisions
- Involvement in New Business acquisition and negotiation
- Liaison for accountants, attorneys and others involved with the family

Estate and Fiduciary

- Review Estate Plan with Estate Attorney
- Advice and Services in response to life events and economic market changes
- Trust administration as support for Trustee
- Communicate and adhere to fiduciary principles
- Advise executive team and/or family business board of directors
- Mentoring and Advising the Next Generation

Tax and Expense

- Goals Based, Tax Aware Financial and Investment Planning
- Knowledge of all household expenses
- Review Vendor Proposals and Supervise household Personnel

Concierge Services Available

#### Retirement Plan Consulting:

We provide retirement plan consulting services to employer plan sponsors on an ongoing basis. Generally, such consulting services consist of assisting employer plan sponsors in establishing, monitoring and reviewing their company's participant-directed retirement plan. As the needs of the plan sponsor dictate, areas of

advising could include: investment options, plan structure and participant education. All retirement plan consulting services shall be in compliance with the applicable state laws regulating pension consulting services. This applies to client accounts that are retirement or other employee benefit plans (“Plan”) governed by the Employee Retirement Income Security Act of 1974, as amended (“ERISA”). If the client accounts are part of a Plan, and we accept appointments to provide our services to such accounts, we acknowledge that we are a fiduciary within the meaning of Section 3(21) of ERISA as designated by the Retirement Plan Consulting Agreement with respect to the provision of services described therein.

#### Participation in Wrap Fee Programs:

Our firm does not offer or sponsor a wrap fee program.

### **Item 5: Fees & Compensation**

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To comply with CCR Section 260.238(j), we disclose that lower fees for comparable services may be available from other sources. We are required to describe our brokerage, custody, fees and fund expenses so you will know how much you are charged and by whom for our advisory services provided to you.

#### Asset Management:

Our asset management programs will provide discretionary or non-discretionary asset allocation services across all major asset classes including but not limited to cash and currency, taxable fixed income and non-taxable fixed income (municipal securities) US and international equities, real estate related securities and commodity related securities. Our programs will utilize different securities in each category to implement the diversified asset allocation program, including: indexes and exchange traded funds/notes, options (index, ETF or single security) and single issue (stocks & bonds). Our fees are based on the complexity of the account, time involved, trading activity and program objective best suited for the client.

<b>Tier Based on Assets Managed Per Account Annual Fee</b>	
First \$1,000,000 (\$0 - \$1,000,000)	2.00%
Next \$1,500,000 (\$1,000,001 - \$2,500,000)	1.75%
Next \$2,500,000 (\$2,500,001 - \$5,000,000)	1.50%
Next \$5,000,000 (\$5,000,001 - \$10,000,000)	1.25%
Additional Assets (over \$10,000,001)	0.95%

Alternatively, a flat, non-tiered fee, not to exceed 2.75% of investable assets under management or a negotiated flat rate may be applied in certain circumstances.

The annual negotiated fee as agreed upon will be finalized in your advisory agreement with us. Our firm’s fees are billed on a pro-rata annualized basis quarterly in advance based on the value of your account on or about the last day of March, June, September, and December (the corresponding previous quarter). Clients entering into an advisory agreement mid-quarter will be billed the month following the transfer of assets and based on the end value of the account of the prior month. Accounts will be billed on a quarterly basis on the start of the following quarterly schedule.

Our firm will deduct its advisory fees from single stock management accounts only if there is cash available or if the account has more than 10% on margin available to deduct the advisory fee in its entirety. Otherwise, the firm will coordinate its deduction of advisory fees from a separate taxable account also under management as indicated by the client. Adjustments will be made for deposits and withdrawals. In rare cases, we will agree to direct bill clients. Fees will generally be automatically deducted from your managed account\*. As part of this process, client is made aware of the following:

- a) Clients must provide our firm with written authorization permitting direct payment of advisory fees from their account(s) maintained by a custodian who is independent of our firm;
- b) Our firm sends quarterly statements to the client showing the fee amount, the value of the assets upon which the fee is based, and the specific manner in which the fee is calculated as well as disclosing that it is the client's responsibility to verify the accuracy of fee calculation, and that the custodian does not determine its accuracy; and
- c) The account custodian sends a statement to the client, at least quarterly, showing all account disbursements, including advisory fees.

#### Financial Planning and Consulting:

Our firm charges on an hourly or flat fee basis for financial planning and consulting services. The total estimated fee, as well as the ultimate fee charged, is based on the scope and complexity of our engagement with the client. The maximum hourly fee to be charged will not exceed \$350. Flat fees range from \$1,500 to \$10,000. Our firm requires a retainer of 50% of the ultimate financial planning or consulting fee at the time of signing. The remainder of the fee will be directly billed to the client and due within 30 days of a financial plan being delivered or consultation rendered. Our firm will not require a retainer exceeding \$500 when services cannot be rendered within 6 months.

#### Family Office Services:

We charge a flat quarterly fee in advance for Family Office Services based on the general amount of time we spend working with the family. Quarterly fees are negotiable and range from \$2,500 to \$15,000 depending up on the complexity of the engagement. The quarterly fees to be assessed will be outlined in the Family Office Agreement to be signed by the Client.

#### Retirement Plan Consulting:

Our maximum fee for our Retirement Plan Consulting service is 1.00% of the assets under advisement. The total estimated fee, as well as the ultimate fee that we charge you, is based on the scope and complexity of our engagement with you. Our firm's fees are billed on a pro-rata annualized basis quarterly in advance based on the value of plan assets on the last day of the previous month. The fee-paying arrangements for consulting service will be determined on a case-by-case basis and will be detailed in the signed Retirement Plan Consulting Agreement.

#### Additional Information about Fees

Clients will incur transaction charges for trades executed in their accounts. These transaction fees are separate from our fees and will be disclosed by the firm that the trades are executed through. Also, clients will pay the following separately incurred expenses, which we do not receive any part of: charges imposed directly by a mutual fund, index fund, or exchange traded fund which shall be disclosed in the fund's prospectus (i.e., fund management fees and other fund expenses).

We charge our advisory fees quarterly in advance. In the event that you wish to terminate our services, we will refund the unearned portion of our advisory fee to you. You need to contact us in writing and state that you wish to terminate our services. Upon receipt of your letter of termination, we will proceed to close out your account and process a pro-rata refund of unearned advisory fees.

Our firm and representatives do not sell securities for a commission in advisory accounts.

### **Item 6: Performance-Based Fees & Side-By-Side Management**

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Our firm does not charge clients performance-based fees.

## **Item 7: Types of Clients & Account Requirements**

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Our firm typically provides services to Individuals and High Net Worth Individuals. We generally charge a minimum fee of \$1,500 for written financial plans. The following programs made available to our Asset Management clients require the following account minimums in which to participate:

- Dynamic Growth (Generally Tactical): \$50,000
- Global Growth, Balanced Growth & Income (Generally Buy and Hold): \$25,000
- Small Account / ETF (Generally Buy and Hold): \$500.

## **Item 8: Methods of Analysis, Investment Strategies & Risk of Loss**

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Our firm subscribes one any one or more of the following methods of analysis and investment strategies in formulating investment advice or managing assets.

### **Methods of Analysis:**

**Charting:** In this type of technical analysis, we review charts of market and security activity in an attempt to identify when the market is moving up or down and to predict when how long the trend may last and when that trend might reverse.

**Cyclical Analysis:** In this type of technical analysis, we measure the movements of a particular stock against the overall market in an attempt to predict the price movement of the security.

**Fundamental Analysis:** We attempt to measure the intrinsic value of a security by looking at economic and financial factors (including the overall economy, industry conditions, and the financial condition and management of the company itself) to determine if the company is underpriced (indicating it may be a good time to buy) or overpriced (indicating it may be time to sell). Fundamental analysis does not attempt to anticipate market movements. This presents a potential risk, as the price of a security can move up or down along with the overall market regardless of the economic and financial factors considered in evaluating the stock.

**Technical Analysis:** We analyze past market movements and apply that analysis to the present in an attempt to recognize recurring patterns of investor behavior and potentially predict future price movement. Technical analysis does not consider the underlying financial condition of a company. This presents a risk in that a poorly-managed or financially unsound company may underperform regardless of market movement.

### **Investment Strategies We Use:**

**Long-Term Purchases:** When utilizing this strategy, we may purchase securities with the idea of holding them for a relatively long time (typically held for at least a year). A risk in a long-term purchase strategy is that by holding the security for this length of time, we may not take advantages of short-term gains that could be profitable to a client. Moreover, if our predictions are incorrect, a security may decline sharply in value before we make the decision to sell. Typically, we employ this sub-strategy when we believe the securities to be well valued; and/or we want exposure to a particular asset class over time, regardless of the current projection for this class. The potential risks associated with this investment strategy involve a lower than expected return, for many years in a row. Lower-than-expected returns that last for a long time and/or that are severe in nature would have the impact of dramatically lowering the ending value of your portfolio, and thus could significantly threaten your ability to meet financial goals.

**Short-Term Purchases:** When utilizing this strategy, we may also purchase securities with the idea of selling them within a relatively short time (typically a year or less). We do this in an attempt to take advantage of conditions that we believe will soon result in a price swing in the securities we purchase. The potential risk associated with this investment strategy is associated with the currency or exchange rate. Currency or exchange rate risk is a form of risk that arises from the change in price of one currency against another. The constant fluctuations in the foreign currency in which an investment is denominated vis-à-vis one's home currency may add risk to the value of a security. Currency risk is greater for shorter term investments, which do not have time to level off like longer term foreign investments.

**Trading:** We purchase securities with the idea of selling them very quickly (typically within 30 days or less). We do this in an attempt to take advantage of our predictions of brief price swings. Trading involves risk that may not be suitable for every investor, and may involve a high volume of trading activity. Each trade generates a commission and the total daily commission on such a high volume of trading can be considerable. Active trading accounts should be considered speculative in nature with the objective being to generate short-term profits. This activity may result in the loss of more than 100% of an investment.

**Short Sales:** We borrow shares of a stock for your portfolio from someone who owns the stock on a promise to replace the shares on a future date at a certain price. Those borrowed shares are then sold. On the agreed-upon future date, we buy the same stock and return the shares to the original owner. We engage in short selling based on our determination that the stock will go down in price after we have borrowed the shares. If we are correct and the stock price has gone down since the shares were purchased from the original owner, the client account realizes the profit. The two primary perceived risks of short selling are that in the long term, markets trend upward and short selling can expose investors to potentially unlimited risk. Due to the "upside gap", sellers risk not being able to react until after a significant loss has already been incurred.

**Margin Transactions:** We will purchase stocks for your portfolio with money borrowed from your brokerage account. This allows you to purchase more stock than you would be able to with your available cash, and allows us to purchase stock without selling other holdings. Margin accounts and transactions are risky and not necessarily for every client. The potential risks associated with these transactions are (1) You can lose more funds than are deposited into the margin account; (2) the force sale of securities or other assets in your account; (3) the sale of securities or other assets without contacting you; and (4) you may not be entitled to choose which securities or other assets in your account(s) are liquidated or sold to meet a margin call.

**Option Writing:** We may use options as an investment strategy. An option is a contract that gives the buyer the right, but not the obligation, to buy or sell an asset (such as a share of stock) at a specific price on or before a certain date. An option, just like a stock or bond, is a security. An option is also a derivative, because it derives its value from an underlying asset. The two types of options are calls and puts. A call gives us the right to buy an asset at a certain price within a specific period of time. We will buy a call if we have determined that the stock will increase substantially before the option expires. A put gives us the holder the right to sell an asset at a certain price within a specific period of time. We will buy a put if we have determined that the price of the stock will fall before the option expires. We will use options to "hedge" a purchase of the underlying security; in other words, we will use an option purchase to limit the potential upside and downside of a security we have purchased for your portfolio. We use "covered calls", in which we sell an option on security you own. In this strategy, you receive a fee for making the option available, and the person purchasing the option has the right to buy the security from you at an agreed-upon price. We use a "spreading strategy", in which we purchase two or more option contracts (for example, a call option that you buy and a call option that you sell) for the same underlying security. This effectively puts you on both sides of the market, but with the ability to vary price, time and other factors. The potential risks associated with these transactions are that (1) all options expire. The closer the option gets to expiration, the quicker the premium in the option deteriorates; and (2) Prices can move very quickly. Depending on factors such as time until expiration and the relationship of the stock price to the option's strike price, small movements in a stock can translate into big movements in the underlying options.

**Please Note:** Investing in securities involves risk of loss that clients should be prepared to bear. While the stock market may increase and your account(s) could enjoy a gain, it is also possible that the stock market may decrease and your account(s) could suffer a loss. It is important that you understand the risks associated with investing in the stock market, are appropriately diversified in your investments, and ask us any questions you may have. We generally invest client's cash balances in money market funds, FDIC Insured Certificates of Deposit, high-grade commercial paper and/or government backed debt instruments. Ultimately, we try to achieve the highest return on our client's cash balances through relatively low-risk conservative investments. In most cases, at least a partial cash balance will be maintained in a money market account so that our firm may debit advisory fees for our services related to our asset management service, as applicable.

## **Item 9: Disciplinary Information**

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There are no legal or disciplinary events that are material to a client's or prospective client's evaluation of our advisory business or the integrity of our management.

## **Item 10: Other Financial Industry Activities & Affiliations**

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Our firm is not registered, nor does it have an application pending to register, as a broker-dealer, registered representative of a broker dealer, futures commission merchant, commodity pool operator, commodity trading advisor, or an associated person of the foregoing entities. Our CEO, Steven Alexson is a Managing Director, Investment Banking with Nuvest Ventures, and registered as an investment banking principal with Global Capital Markets, FINRA member firm and SEC registered broker/dealer. The arrangement does not create a material conflict of interest with clients.

Please see Item 4 above for more information about the selection of Independent Money Managers. The compensation paid to our firm by Independent Money Managers may vary, and thus, creates a conflict of interest in recommending a manager who shares a larger portion of its advisory fees over another manager. Prior to referring clients to an Independent Money Managers, our firm will ensure they are licensed or notice filed with the respective authorities. A potential conflict of interest in utilizing Independent Money Managers may be an incentive to us in selecting a particular manager over another in the form of fees or services. In order to minimize this conflict our firm will make our recommendations/selections in the best interest of our clients.

## **Item 11: Code of Ethics, Participation or Interest in Client Transactions & Personal Trading**

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We recognize that the personal investment transactions of members and employees of our firm demand the application of a high Code of Ethics and require that all such transactions be carried out in a way that does not endanger the interest of any client. At the same time, we believe that if investment goals are similar for clients and for members and employees of our firm, it is logical and even desirable that there be common ownership of some securities.

Therefore, in order to prevent conflicts of interest, we have in place a set of procedures (including a pre-clearing procedure) with respect to transactions effected by our members, officers and employees for their personal accounts<sup>1</sup>. In order to monitor compliance with our personal trading policy, we have a quarterly securities transaction reporting system for all of our associates.

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<sup>1</sup> For purposes of the policy, our associate's personal account generally includes any account (a) in the name of our associate, his/her spouse, his/her minor children or other dependents residing in the same household, (b) for which our associate is a trustee or executor, or (c) which our associate controls, including our client accounts which our associate controls and/or a member of his/her household has a direct or indirect beneficial interest in.

Furthermore, our firm has established a Code of Ethics which applies to all of our associated persons. An investment adviser is considered a fiduciary. As a fiduciary, it is an investment adviser's responsibility to provide fair and full disclosure of all material facts and to act solely in the best interest of each of our clients at all times. We have a fiduciary duty to all clients. Our fiduciary duty is considered the core underlying principle for our Code of Ethics which also includes Insider Trading and Personal Securities Transactions Policies and Procedures. We require all of our supervised persons to conduct business with the highest level of ethical standards and to comply with all federal and state securities laws at all times. Upon employment or affiliation and at least annually thereafter, all supervised persons will sign an acknowledgement that they have read, understand, and agree to comply with our Code of Ethics. Our firm and supervised persons must conduct business in an honest, ethical, and fair manner and avoid all circumstances that might negatively affect or appear to affect our duty of complete loyalty to all clients. Our duty to you extends to making you whole if when managing your assets we cause a trading error to occur. If in correcting an error a gain or a loss occurs, we reserve the right to pay those debits or credits to our master account at whichever custodian the trade error or correction occurred.

Related persons of our firm may buy or sell securities and other investments that are also recommended to clients. In order to minimize this conflict of interest, our related persons will place client interests ahead of their own interests and adhere to our firm's Code of Ethics, a copy of which is available upon request. Additionally, related persons of our firm may buy or sell securities for themselves at or about the same time they buy or sell the same securities for client accounts. In order to minimize this conflict of interest, our related persons will place client interests ahead of their own interests and adhere to our firm's Code of Ethics, a copy of which is available upon request. Further, our related persons will refrain from buying or selling the same securities prior to buying or selling for our clients in the same day. If related persons' accounts are included in a block trade, our related persons will always allocate personal accounts last.

This disclosure is provided to give clients a summary of our Code of Ethics. If a client or a potential client wishes to review our Code of Ethics in its entirety, a copy will be provided promptly upon request.

### **Compliance with Department of Labor Fiduciary Rule**

Our firm provides investment advice to assets affected by the Department of Labor ("DOL") Fiduciary Rule for a level fee. As such, we abide by the Impartial Conduct Standards as defined by the DOL. To comply with these standards, our firm and our advisors give advice that is in our clients' best interest, charge no more than reasonable compensation (within the meaning of ERISA Section 408(b)(2) and Internal Revenue Code Section 4975(d)(2), and make no misleading statements about investment transactions, compensation, conflicts of interest, and any other matters related to investment decisions. As a level-fee fiduciary, we maintain a non-variable compensation structure that is provided on the basis of a fixed percentage of the value of assets or a set fee that does not vary with the particular investment recommended, as opposed to a commission or other transaction based fee.

### **Item 12: Brokerage Practices**

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We seek to recommend a custodian/broker who will hold your assets and execute transactions on terms that are overall most advantageous when compared to other available providers and their services. We consider a wide range of factors, including, among others, these:

- Ability to maintain the confidentiality of trading intentions
- Timeliness of execution
- Timeliness and accuracy of trade confirmations
- Liquidity of the securities traded
- Willingness to commit capital
- Ability to place trades in difficult market environments
- Research services provided
- Ability to provide investment ideas

- Execution facilitation services provided
- Record keeping services provided
- Custody services provided
- Frequency and correction of trading errors
- Ability to access a variety of market venues
- Expertise as it relates to specific securities
- Financial condition
- Business reputation

With this in consideration, our firm has an arrangement with U.S. Bank as our custodian. Our firm has an unaffiliated arrangement for trading through the U.S. Bank platform with Jones Trading Institutional Services LLC ("Jones"), an SEC-registered broker-dealer and FINRA member which provides our firm with Jones' trading "platform" services through U.S. Bank. Our firm may also consider DVP accounts for trading with discount brokerages such as Schwab or TD Ameritrade. The U.S. Bank/Jones platform services include, among others, brokerage, custodial, administrative support, record keeping and related services that are intended to support our firm in conducting business and in serving the best interests of our clients but that may benefit our firm. Our firm is independently owned and operated and not affiliated with U.S. Bank or Jones. Our firm may also recommend that Clients establish accounts with firms other than U.S. Bank.

Recommended Custodian also makes certain banking services available at no additional cost to our firm. These services include back office and middle office support, banking relationships and customized service to meet client needs. U.S. Bank does not make a market in any securities, nor does it receive any revenue from order flow, nor do they participate in securities lending, creating a no conflict solution for clients. U.S. bank's open architecture allows our firm to use the best of breed service providers for all facets of the business such as research, trading or technology. U.S. Bank may make recommendations to our firm regarding research products and services provided by Recommended Custodian to our firm, which may include research reports on recommendations or other information about, particular companies or industries; economic surveys, data and analyses; financial publications; portfolio evaluation services; financial database software and services; computerized news and pricing services; quotation equipment for use in running software used in investment decision-making; and other products or services that provide lawful and appropriate assistance by Recommended Custodian to our firm in the performance of our investment decision-making responsibilities. The aforementioned research and brokerage services are used by our firm to manage accounts for which we have investment discretion. Without this arrangement, our firm might be compelled to purchase the same or similar services at our own expense.

We do not use client brokerage commissions to obtain research or other products or services. The aforementioned research and brokerage services are used by our firm to manage accounts for which we have investment discretion. Without this arrangement, our firm might be compelled to purchase the same or similar services at our own expense.

As a result of receiving the services discussed above for no additional cost, we may have an incentive to continue to use or expand the use of Recommended Custodian's services. Our firm examined this potential conflict of interest when we chose to enter into the relationship with Recommended Custodian and we have determined that the relationship is in the best interest of our firm's clients and satisfies our client obligations, including our duty to seek best execution.

Recommended Custodian charges brokerage commissions and transaction fees for effecting certain securities transactions (i.e., transaction fees are charged for certain no-load mutual funds, commissions are charged for individual equity and debt securities transactions). Recommended Custodian enables us to obtain many no-load mutual funds without transaction charges and other no-load funds at nominal transaction charges. Recommended Custodian's commission rates are generally discounted from customary retail commission rates. However, the commission and transaction fees charged by Recommended Custodian may be higher or lower than those charged by other custodians and broker-dealers.

Our clients may pay a commission to Recommended Custodian that is higher than another qualified broker dealer might charge to effect the same transaction where we determine in good faith that the commission is reasonable in relation to the value of the brokerage and research services received. In seeking best execution, the determinative factor is not the lowest possible cost, but whether the transaction represents the best qualitative execution, taking into consideration the full range of a broker-dealer's services, including the value of research provided, execution capability, commission rates, and responsiveness. Accordingly, although we will seek competitive rates, to the benefit of all clients, we may not necessarily obtain the lowest possible commission rates for specific client account transactions.

Although the investment research products and services that may be obtained by our firm will generally be used to service all of our clients, a brokerage commission paid by a specific client may be used to pay for research that is not used in managing that specific client's account.

Our firm does have discretionary authority in making the determination of the brokers with whom orders for the purchase or sale of securities are placed for execution, and the commission rates at which such securities transactions are effected. We routinely recommend that a client directs us to execute through a specified broker-dealer used by U.S. Bank, which is Jones. Our firm recommends the use of U.S. Bank and Jones. Each client may be required to establish their account(s) with U.S. Bank if not already done. Please note that not all advisers have this requirement.

We allow clients to direct brokerage. However, we may be unable to achieve the most favorable execution of client transactions. Client directed brokerage may cost clients more money. For example, in a directed brokerage account, you may pay higher brokerage commissions because we may not be able to aggregate orders to reduce transaction costs, or you may receive less favorable prices.

We participate in prime brokerage services provided by these firms and may include fixed income, equity and other securities trades. As the introducing broker-dealer, these firms shall transmit orders to our custodians for the execution of trades pursuant to Prime Brokerage Services with each. Each custodian will clear our prime brokerage transactions in an account established in the name of the firm and designated for our client account holders to the account allocation established at our master account at each custodian.

Pursuant to the Prime Brokerage Services Agreement with each custodian, we will transmit to each custodian all the details of each prime brokerage transaction to be cleared by each custodian for our account, including, but not limited to, the contract amount, the security involved, the number of shares or number of units, and whether the transaction was a long or short sale or a purchase.

We perform investment management services for various clients. There are occasions on which portfolio transactions may be executed as part of concurrent authorizations to purchase or sell the same security for numerous accounts served by our firm, which involve accounts with similar investment objectives. Although such concurrent authorizations potentially could be either advantageous or disadvantageous to any one or more particular accounts, they are effected only when we believe that to do so will be in the best interest of the affected accounts. When such concurrent authorizations occur, the objective is to allocate the executions in a manner which is deemed equitable to the accounts involved. In any given situation, we attempt to allocate trade executions in the most equitable manner possible, taking into consideration client objectives, current asset allocation and availability of funds using price averaging, proration and consistently non-arbitrary methods of allocation.

### **Item 13: Review of Accounts or Financial Plans**

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We review accounts on at least a weekly basis for our clients subscribing to Asset Management service. The nature of these reviews is to learn whether clients' accounts are in line with their investment objectives,

appropriately positioned based on market conditions, and investment policies, if applicable. Steven Alexson will conduct reviews.

Financial planning clients do not receive reviews of their written plans unless they take action to schedule a financial consultation with us. We do not provide ongoing services to financial planning clients, but are willing to meet with such clients upon their request to discuss updates to their plans, changes in their circumstances, etc.

We may review client accounts more frequently than described above. Among the factors which may trigger an off-cycle review are major market or economic events, the client's life events, requests by the client, etc.

We do not provide written reports to clients, unless asked to do so. Verbal reports to clients take place on at least an annual basis when we meet with clients who subscribe to the following services: Asset Management. As also mentioned in Item 13A of this Brochure, financial planning clients do not receive written or verbal updated reports regarding their financial plans unless they separately contract with us for a post-financial plan meeting or update to their initial written financial plan.

The Retirement Plan Consulting service is an ongoing services where we meet with such clients upon their request to discuss updates to their plans, changes in their circumstances, etc. Retirement Plan Consulting clients do not receive written reports regarding, but will receive verbal reports on at least an annual basis.

#### **Item 14: Client Referrals & Other Compensation**

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As disclosed under Item 12 of this Brochure, we may recommend U.S. Bank to Clients for custody and to Jones for brokerage services. There is no direct link between our firm's participation and the investment advice we give to our Clients. Our firm does receive benefits, which could include the following products and services (provided without cost or at a discount): receipt of duplicate Client statements and confirmations;; consulting services; access to a trading desk serving our firm's participants; access to block trading (which provides the ability to aggregate securities transactions for execution and then allocate the appropriate shares to Client accounts); the ability to have advisory fees deducted directly from Client accounts; access to an electronic communications network for Client order entry and account information; access to mutual funds with no transaction fees and to certain institutional money managers; and discounts on compliance, marketing, research, technology, and practice management products or services provided to us by third party vendors. Some of the products and services made available by U.S. Bank may benefit our firm but may not benefit our Client accounts. These products or services may assist us in managing and administering Client accounts, including accounts not maintained at U.S. Bank. Other services made available by U.S. Bank are intended to help us manage and further develop our business enterprise. The benefits received by our firm or our personnel through participation in the program do not depend on the amount of brokerage transactions directed to U.S. Bank or Jones. As part of our fiduciary duties to our clients, we endeavor at all times to put the interests of our clients first. Clients should be aware, however, that the receipt of economic benefits by our firm or our related persons in and of itself creates a potential conflict of interest and may indirectly influence our firm's choice of U.S. bank for custody and brokerage services.

We may pay referral fees (non-commission based) to independent solicitors (non-registered representatives) for the referral of their clients to our firm in accordance with relevant state statutes and rules. Such referral fee represents a share of our investment advisory fee charged to our clients. This arrangement will not result in higher costs to you. In this regard, we maintain Solicitors Agreements in compliance with relevant state statutes and rules and applicable state and federal laws. All clients referred by Solicitors to our firm will be given full written disclosure describing the terms and fee arrangements between our firm and Solicitor(s). In accordance with CCR 260.236(c)(2), our firm will ensure that no solicitation fees are paid unless the solicitor is properly registered. If we are paying solicitation fees to another registered investment adviser, the licensure of individuals is the other firm's responsibility.

## **Item 15: Custody**

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Our firm does not have custody of client assets. State Securities Bureaus generally take the position that any arrangement under which a registered investment adviser is authorized or permitted to withdraw client funds or securities maintained with a custodian upon the adviser's instruction to the custodian is deemed to have custody of client funds and securities. As such, our firm has adopted the following safeguarding procedures:

- a) Clients must provide our firm with written authorization permitting direct payment of advisory fees from their account(s) maintained by a custodian who is independent of our firm;
- b) Our firm sends quarterly statements to the client showing the fee amount, the value of the assets upon which the fee is based, and the specific manner in which the fee is calculated as well as disclosing that it is the client's responsibility to verify the accuracy of fee calculation, and that the custodian does not determine its accuracy; and
- c) The account custodian sends a statement to the client, at least quarterly, showing all account disbursements, including advisory fees.

Clients are encouraged to raise any questions with us about the custody, safety or security of their assets and our custodial recommendations.

## **Item 16: Investment Discretion**

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Clients have the option of providing our firm with investment discretion on their behalf, pursuant to an executed investment advisory client agreement. By granting investment discretion, our firm is authorized to execute securities transactions, determine which securities are bought and sold, and the total amount to be bought and sold. Limitations may be imposed by the client in the form of specific constraints on any of these areas of discretion with our firm's written acknowledgement.

## **Item 17: Voting Client Securities**

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We will not accept proxy voting authority on behalf of clients.

## **Item 18: Financial Information**

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We do not require nor do we solicit prepayment of more than \$500 in fees per client, six months or more in advance. Our firm does not have a financial condition or commitment that impairs our ability to meet contractual and fiduciary obligations to clients. Therefore, we have not included a balance sheet for our most recent fiscal year. Neither have we been the subject of a bankruptcy petition at any time during the past ten years.

## **Item 19: Requirements for State-Registered Advisors**

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Steven Brett Alexson  
Born 1975

Educational Background:

- 2009: University of California, Irvine, MBA
- 2000: University of California, Santa Barbara, B.A. Business/Economics and Minor in Global Peace & Security

Licensing:

- 2011: Series 65 Exam

- 2018: Securities Industry Essentials (SIE) Exam
- 2018: Series 7 Exam
- 2019: Series 63 Exam
- 2019: Series 79 Exam
- 2019: Series 24 Exam

Business Background:

- 03/2020 to present: Nuvest Capital Management, LLC, Founder, CEO, CCO, Newport Beach, CA
- 07/2019 to present: Nuvest Ventures, LLC, Managing Director, Newport Beach, CA
- 8/2019 to 1/2020: LPL Financial, Registered Principal, Aliso Viejo, CA 92656
- 11/2015 to 11/2019: Alexson Investment Group, Founder and President, Irvine, CA
- 10/2011 to 10/2015: Alpha Cubed Investments, LLC, Co-Founder and President, Irvine, CA
- 11/2012 to 10/2013: Lehrer Management Co, Inc., President, Newport Beach, CA
- 12/2011 to 11/2012: TRW Investments, LLC, Los Angeles, CA
- 07/2005 to 11/2011: Miven, LLC, Senior Director, Newport Beach, CA
- 03/2003 to 7/2005: RSM McGladrey Capital Markets, Senior Analyst, Costa Mesa, CA
- 11/2000 to 3/2003: Citigroup Global Markets, Analyst, Irvine, CA

Our firm is not actively engaged in any other business other than giving investment advice. Our firm does not charged performance based fees. Our firm and management persons have not been involved in any arbitration awards, found liable in any civil, self-regulatory organization or administrative proceedings or have any relationships with issuers or securities apart from what is disclosed above.

Our firm does not have compensation arrangements connected with advisory services which are in addition to our advisory fees. Our CEO, Steven Alexson is a Managing Director, Investment Banking with Nuvest Ventures, and registered as an investment banking principal with Global Capital Markets, FINRA member firm and SEC registered broker/dealer. As a fiduciary, our firm always put our Client's interest above our own. Information regarding participation of interest in client transactions can be found in our Code of Ethics as well as Item 11 of this Brochure. Clients may obtain a copy of our Code of Ethics by contacting Mr. Alexson, Chief Compliance Officer at 949-706-7228.