

**Wrap Fee Brochure for
Tembion Capital Management, LLC**
A Registered Investment Adviser

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This wrap fee brochure provides information about the qualifications and business practices of Tembion Capital Management, LLC. If you have any questions about this brochure, please contact Mark J. Jensen at (505) 820-6464. 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 Tembion Capital Management, LLC is available on the SEC's website at www.adviserinfo.sec.gov. Tembion Capital Management, LLC is an SEC registered investment adviser. Registration does not imply any level of skill or training.

Item 2. Material Changes

Tembion Capital Management, LLC has no material changes to report since its last annual update on March 29, 2019.

Item 3. Table of Contents

Item 1.	Cover Page.....	i
Item 2.	Material Changes	2
Item 3.	Table of Contents	3
Item 4.	Services, Fees, and Compensation.....	4
Item 5.	Account Requirements and Types of Clients	5
Item 6.	Portfolio Manager Selection and Evaluation	5
Item 7.	Client Information Provided to Portfolio Managers.....	9
Item 8.	Client Contact with Portfolio Managers.....	9
Item 9.	Additional Information.....	9

Item 4. Services, Fees, and Compensation

The Tembion Capital Management Wrap Program (the “Program”) is an investment advisory program sponsored by Tembion Capital Management, LLC. The Program provides clients with the ability to trade in certain investment products without incurring separate brokerage commissions or transaction charges.

To join the Program, a client must complete an investor profile that describes the client’s financial needs, investment objectives, time horizon, and risk tolerance, as well as any other factors relevant to the client’s specific financial situation and any other supporting documentation the Program requires; complete the investment advisory wrap fee agreement (the “Agreement”) with Tembion Capital Management, LLC; complete a new account agreement with Charles Schwab & Co. (“Schwab”) or another broker dealer Tembion Capital Management, LLC approves for participation in the Program (“Financial Institution”); and open a securities brokerage account with the Financial Institution and deposit those assets designated for participation in the Program into the account.

After an analysis of any information provided by clients, Tembion Capital Management, LLC assists in developing an appropriate investment strategy for the assets in their accounts. Thereafter, all clients are encouraged to discuss their needs, goals, and objectives with Tembion Capital Management, LLC and to keep Tembion Capital Management, LLC informed of any changes thereto. Tembion Capital Management, LLC contacts ongoing clients at least annually to review its previous services and/or recommendations and to determine whether changes should be made to their investment strategy.

Management of Your Portfolio

All clients in the Program grant Tembion Capital Management, LLC discretionary or non-discretionary authority to buy, sell, and otherwise trade in the type of securities described in Item 6 below for their accounts and to liquidate previously-purchased securities that the clients have transferred to their accounts. Assets are managed by one of Tembion Capital Management, LLC’s investment adviser representatives.

Fees for the Program

Clients in the Program pay a single annualized fee for participation in the Program (the “Program Fee”). The Program Fee is prorated and charged monthly, in arrears, based upon the average daily market value of the assets being managed by Tembion Capital Management, LLC during the prior month. The Program Fee varies between 1.10% and 1.60% depending upon the market value of the assets under management and the type of investment management services to be rendered.

If the client engages Tembion Capital Management, LLC for a disproportionate amount of services, Tembion Capital Management, LLC may adjust the Program Fee accordingly. The firm will clearly indicate the Program Fee before the client enters into an Agreement.

Tembion Capital Management, LLC may, in its sole discretion, negotiate to charge a different Program Fee depending on a client’s unique circumstances (e.g. frequency of trading, value of related accounts, or pro bono activities).

Fee Comparison

Under the Program, clients receive both investment advisory services and the execution of transactions for a single, combined annualized fee, the Program Fee. Participation in the Program may cost a client more or less than purchasing such services separately. The number of transactions made in an account, as well as the commissions charged for each transaction, determine the relative cost of the Program versus paying for execution on a per transaction basis and paying a separate fee for advisory services. The Program Fee may be higher or lower than fees charged by other sponsors of comparable investment advisory programs.

Other Charges

Clients may incur certain additional charges and fees imposed by financial institutions (such as custodians and clearing brokers) with or through which clients transact business, and other third parties such as sponsors, managers or other parties in connection with investments held in client accounts (such as mutual funds and exchange-traded funds), which are disclosed in each investment's prospectus (e.g. fund management fees and expenses, front-end loads, and deferred sales charges). Additional account fees that clients may incur include wire transfer fees, security transaction fees, account closure fees, margin interest, and taxes. Such charges and fees are exclusive of and in addition to the Program Fee.

Item 5. Account Requirements and Types of Clients

Tembion Capital Management, LLC provides its services to individuals, pension and profit sharing plans, trusts, estates, charitable organizations, corporations, and business entities. Tembion Capital Management, LLC does not impose a minimum portfolio size.

Item 6. Portfolio Manager Selection and Evaluation

Tembion Capital Management, LLC acts as the sponsor and portfolio manager of the Program. Certain wrap programs involve the services of multiple parties in these capacities, which may involve additional conflicts of interest that the sponsor would be required to disclose in this section. Tembion Capital Management, LLC has no disclosures to make under this section.

Advisory Business

Tembion Capital Management, LLC manages assets in the Program on a discretionary or non-discretionary basis. Tembion Capital Management, LLC primarily allocates clients' investment management assets among open-end mutual funds, closed-end mutual funds, exchange-traded funds ("ETFs"), unit investment trusts ("UITs"), individual debt and equity securities, and/or options in accordance with the investment objectives of the client.

Tembion Capital Management, LLC tailors its advisory services to the individual needs of clients. Tembion Capital Management, LLC consults with clients initially and on an ongoing basis to determine objectives, risk tolerance, time horizon and other factors that may impact the clients' investment needs. Tembion Capital Management, LLC ensures that clients' investments are suitable for their investment needs, goals, objectives, and risk tolerance.

Clients may impose reasonable restrictions or mandates on the management of their account if, in Tembion Capital Management, LLC's sole discretion, the conditions will not materially

impact the performance of a portfolio strategy or prove overly burdensome to its management efforts. Clients are advised to promptly notify Tembion Capital Management, LLC if there are changes in their financial situation or investment objectives or if they wish to impose, modify, or remove any reasonable restrictions upon Tembion Capital Management, LLC's management services.

Performance-Based Fees and Side-by-Side Management

Tembion Capital Management, LLC does not provide any services for performance-based fees. Performance-based fees are those based on a share of capital gains on or capital appreciation of the assets of a client.

Methods of Analysis

Tembion Capital Management, LLC's primary methods of analysis are fundamental, technical, and cyclical analysis.

Fundamental analysis involves attempting to measure the intrinsic value of an investment based on financial condition, capabilities of management, earnings, new products and services, as well as the company's markets and position among its competition. Opportunities and risk are uncovered by comparing intrinsic value against current market price. While such analysis offers the potential for increased returns and protection of principal, there is also the risk of loss or underperformance should overall market or investment-specific conditions deteriorate, or should expected competitive advantages ultimately prove unfounded or unjustified.

Technical analysis involves attempting to predict future performance by comparing current trends to historical data, with the understanding that historical patterns often repeat themselves. While such analysis offers the potential for increased returns and protection of principal, there is also the risk of loss or underperformance should actual behaviors fail to follow expected historical patterns.

Cyclical analysis involves attempting to estimate future performance based on the present status of the economy relative to a typical business cycle and how specific investments tend to perform relative to each other as a business cycle advances. While such analysis offers the potential for increased returns and protection of principal, there is also the risk of loss or underperformance should actual behaviors fail to follow expected historical patterns.

Investment Strategies

Tembion Capital Management, LLC manages accounts for optimal long-term return while striving to limit losses during periods of severe stock market decline. The firm maintains and adapts a number of portfolio models that provide differing levels of stock market upside participation and downside protection. Four basic strategies are used:

- (1) asset allocation – Asset allocation strategies combine investments with distinctly different characteristics (asset classes) that in the aggregate are expected to optimize long-term return for a given risk tolerance.
- (2) synthetic stock market – Synthetic stock market strategies combine a low volatility core portfolio with a modest investment in equity index call option contracts or equity ETF call option contracts. This combination can produce a

portfolio that closely tracks stock market performance during periods of appreciation while limiting losses during periods of decline.

- (3) hedged equity – Hedged equity strategies utilize shares of an ETF stock market index fund, long (purchased) put options, and short (sold) call options on the ETF shares. The strategy allows for participation in the ETF's return over a range but limits maximum returns in exchange for limiting maximum losses.
- (4) dual momentum – Dual momentum strategies contain a concentrated investment in either a U.S. stock fund, international stock fund, or cash alternative. On a quarterly or monthly basis, the trailing total return of U.S. and international stocks is compared to the cash alternative current yield, and the investment with the highest result is the position used for the next period. This strategy has historically delivered market competitive returns, but with a reduction in maximum loss.

With asset allocation and dual momentum, there is a risk of higher loss or underperformance should asset class patterns of return or correlation deviate from historical trends. With synthetic stock market, there is the risk of higher loss or underperformance if call option prices are prohibitively high or if total return on the low volatility core portfolio is less than anticipated.

Risk of Loss

Tembion Capital Management, LLC's recommended investments, as with all securities, involve a significant risk of loss, including, but not limited to, complete loss of any initially invested capital or principal. Tembion Capital Management, LLC's recommendations are subject to various market, currency, economic, political, and business risks, and these investment decisions are not always profitable. Moreover, there is risk that the initial principal will be lost due to these risks. Clients must be prepared to bear these risks and the possibility of total loss for any recommended investment. Tembion Capital Management, LLC cannot and does not make any assurance that any recommended investment will successfully meet a client's expectations. Before investing, clients should:

- commit assets that can be invested on a long-term basis;
- understand that volatility from investing can occur and recommended investments can fluctuate widely; and
- understand that over time the client's assets may be valued more or less than the amount invested.

Open-End Mutual Funds, Closed-End Mutual Funds, and ETFs

An investment in an open-end mutual fund, closed-end mutual fund, ETF, or UIT (collectively, "Funds") involves risk, including the loss of a client's principal investment. These instruments are necessarily subject to the risks stemming from the individual issuers of the Fund's underlying securities. Shareholders are liable for taxes on any Fund-level capital gains. At least once per year certain types of Funds are required by law to pass through net capital gains to shareholders, often resulting in a tax impact to investors.

Shares of closed-end funds and ETFs are listed on securities exchanges. ETFs can also be traded at negotiated prices in the secondary market. Generally, closed-end funds and ETFs trade at or near net asset value (NAV), which is generally calculated at least once daily. However, certain

inefficiencies may cause the shares to trade at a premium or discount to their NAV. There is no guarantee that an active secondary market for ETF and UIT shares will develop or continue to exist. Generally, an ETF or UIT only redeems shares when aggregated as creation units (usually 50,000 shares or more). Therefore, if a liquid secondary market ceases to exist for shares of a particular ETF or UIT, a shareholder may have no way to dispose of such shares.

Options

Options allow investors to buy or sell a security at a contracted “strike” price (not necessarily the current market price) at or within a specific future period of time. Investors may pay or collect a premium for buying or selling an option. Investors transact in options to either hedge (limit) losses in an attempt to reduce risk or to speculate on the performance of the underlying securities. Options transactions contain a number of inherent risks and like other securities, including stocks, bonds, and Funds, options carry no guarantees. It’s possible to lose the entire principal invested in options, and sometimes more. As an options buyer (or holder), clients risk the entire amount of the premium paid. As an options seller (or writer), investors take on a higher level of risk because, for example, with uncovered calls, clients face unlimited potential loss since there is no cap on how high a stock price can rise. Investors are also subject to default by the option writer which may be unwilling or unable to perform its contractual obligations.

Management Through Similarly Managed Accounts

Tembion Capital Management, LLC manages portfolios by allocating portfolio assets among various mutual funds and other securities on a discretionary basis using one or more of its proprietary investment strategies (collectively referred to as “investment strategy”). In so doing, Tembion Capital Management, LLC buys, sells, exchanges, and/or transfers shares of Funds and other securities based upon the investment strategy.

Tembion Capital Management, LLC’s management using the investment strategy complies with the requirements of Rule 3a-4 of the Investment Company Act of 1940, as amended. Rule 3a-4 provides similarly managed accounts, such as the investment strategy, with a safe harbor from the definition of an investment company.

Certain investment opportunities that become available to Tembion Capital Management, LLC’s clients may be limited. For example, various mutual funds or insurance companies may limit the ability of Tembion Capital Management, LLC to buy, sell, exchange or transfer securities consistent with its investment strategy. As further discussed in response to Item 12B (below), Tembion Capital Management, LLC allocates investment opportunities among its clients on a fair and equitable basis.

Use of Margin

To the extent that a client authorizes the use of margin, and margin is thereafter employed by Tembion Capital Management, LLC in the management of the client’s investment portfolio, the equity value of the client’s account and corresponding fee payable by the client to Tembion Capital Management, LLC will not be increased.

While the use of margin borrowing can substantially improve returns, such use may also increase the adverse impact to which a client’s portfolio may be subject. Borrowings will usually be from securities brokers and dealers in exchange for interest paid by the borrowing client, and will typically be secured by the client’s securities and/or other assets. Under certain

circumstances, such a broker-dealer may demand an increase in the collateral that secures the client's obligations, and if the client were unable to provide additional collateral, the broker-dealer could liquidate assets held in the account to satisfy the client's obligations to the broker-dealer. Liquidation in that manner could have extremely adverse consequences. In addition, the amount of the client's borrowings and the interest rates on those borrowings, which will fluctuate, will have a significant effect on a client's profits and/or losses.

General Risk of Loss

Investing in securities involves the risk of loss. Clients should be prepared to bear such loss.

Voting of Client Securities

Tembion Capital Management, LLC does not vote client securities on behalf of its clients. Clients receive proxies and corporate notices directly from the Financial Institutions.

Item 7. Client Information Provided to Portfolio Managers

Tembion Capital Management, LLC acts as the sponsor and portfolio manager of the Program. Certain wrap programs involve the services of multiple parties in these capacities. In those circumstances, the sponsor is required to disclose how and what types of client information are provided to portfolio managers. Tembion Capital Management, LLC has no disclosures to make under this section.

Item 8. Client Contact with Portfolio Managers

There are no restrictions on a client's ability to contact and consult with Tembion Capital Management, LLC.

Item 9. Additional Information

Disciplinary Information

Tembion Capital Management, LLC is required to disclose the facts of any legal or disciplinary events that are material to a client's evaluation of its advisory business or the integrity of its management. While the following events are not among those types the SEC specifically presumes must be disclosed, Tembion Capital Management, LLC does believe they could be material to some clients' or prospective clients' evaluation of its advisory business.

In 2018, the LJM Preservation and Growth fund (LJMAX/LJMIX) collapsed, losing roughly 80% of its value in two days over February 5th and 6th. The fund had been awarded a 5-star rating by Morningstar and had a demonstrated track record of limiting losses during market declines including the 2007-2008 meltdown. Because of prior performance and the results of Tembion Capital Management, LLC's due diligence, LJMAX/LJMIX grew to become a significant holding in most clients' portfolios from 2016 through its collapse, and a few clients had also invested in LJM Partners' moderately aggressive limited partnership. Following the fund's collapse, LJM closed its doors at the end of March 2018.

Tembion Capital Management, LLC believes that the fault for the failure of LJM lies solely with LJM's management, which took-on risk that was inconsistent with both its prospectus and stated objectives. Tembion Capital Management, LLC engaged a forensics expert who could uncover no red flags that signaled the impending collapse. Numerous LJM investor suits have been consolidated into class action suits against LJM, and the SEC initiated an investigation. Nonetheless, several clients have made claims against Tembion Capital Management, LLC and its Managing Member, Mark Jensen, seeking recovery of their investment. In their defense, Tembion Capital Management, LLC and Mark Jensen have retained counsel and presented what they believe to be meritorious defenses to those claims.

With the advice of counsel and in order to avoid the costs and uncertainties associated with protracted litigation, Tembion Capital Management, LLC has entered into reasonable settlements with certain clients. Tembion Capital Management, LLC has also received an adverse award in arbitration in connection with one such claim.

Other Financial Industry Activities and Affiliations

Tembion Capital Management, LLC does not have any other financial industry activities or affiliations.

Code of Ethics

Tembion Capital Management, LLC and persons associated with Tembion Capital Management, LLC ("Associated Persons") are permitted to buy or sell securities that it also recommends to clients consistent with Tembion Capital Management, LLC's policies and procedures.

Tembion Capital Management, LLC has adopted a code of ethics that sets forth the standards of conduct expected of its associated persons and requires compliance with applicable securities laws ("Code of Ethics"). In accordance with Section 204A of the Investment Advisers Act of 1940 (the "Advisers Act"), its Code of Ethics contains written policies reasonably designed to prevent the unlawful use of material non-public information by Tembion Capital Management, LLC or any of its Supervised Persons.

The Code of Ethics also requires that certain of Tembion Capital Management, LLC's personnel (called "Access Persons") report their personal securities holdings and transactions and obtain pre-approval of certain investments such as initial public offerings and limited offerings.

Unless specifically permitted in Tembion Capital Management, LLC's Code of Ethics, none of Tembion Capital Management, LLC's Access Persons may effect for themselves or for their immediate family (i.e., spouse, minor children, and adults living in the same household as the Access Person) any transactions in a security which is being actively purchased or sold, or is being considered for purchase or sale, on behalf of any of Tembion Capital Management, LLC's clients.

When Tembion Capital Management, LLC is purchasing or considering for purchase any security on behalf of a client, no Access Person may effect a transaction in that security prior to the completion of the purchase or until a decision has been made not to purchase such security. Similarly, when Tembion Capital Management, LLC is selling or considering the sale of any security on behalf of a client, no Access Person may effect a transaction in that security prior to

the completion of the sale or until a decision has been made not to sell such security. These requirements are not applicable to: (i) direct obligations of the Government of the United States; (ii) money market instruments, bankers' acceptances, bank certificates of deposit, commercial paper, and other high-quality short-term debt instruments, including repurchase agreements; (iii) shares issued by investment companies, including without limitation mutual funds and money market funds; or (iv) shares issued by unit investment trusts that are invested exclusively in one or more mutual funds.

Clients and prospective clients may contact Tembion Capital Management, LLC to request a copy of its Code of Ethics.

Review of Accounts and General Reports

Tembion Capital Management, LLC conducts regular account reviews at least quarterly.

Unless otherwise agreed upon, clients are provided with transaction confirmation notices and regular summary account statements directly from the broker-dealer or custodian for the client accounts. Tembion Capital Management, LLC also prepares reports for investment advisory clients that may include relevant account and/or market-related information such as an inventory of account holdings and account performance. Clients should compare the account statements they receive from their custodian with reports prepared by Tembion Capital Management, LLC; notify Tembion Capital Management, LLC of any discrepancies; and rely only upon the reports provided by the custodian.

Client Referrals and Other Compensation

Tembion Capital Management, LLC does not compensate any unaffiliated third party for referring clients to the Program.

Receipt of Economic Benefit

Tembion Capital Management, LLC has arrangements in place whereby the firm receives an economic benefit from a third party for providing investment advice to clients participating in the Program. Tembion Capital Management, LLC may receive from Schwab, without cost to Tembion Capital Management, LLC, computer software and related systems and support, which allow Tembion Capital Management, LLC to better service and/or monitor client accounts maintained at Schwab.

Additionally, Tembion Capital Management, LLC may receive the following benefits from Schwab through its Schwab Institutional division: research; receipt of duplicate client confirmations and bundled duplicate statements; access to a trading desk that exclusively services the Schwab Institutional participants; access to block trading which provides the ability to aggregate securities transactions and then allocate the appropriate shares to client accounts; no-cost attendance at conferences and other events, and access to an electronic communication network for client order entry and account information. Tembion Capital Management, LLC receives these services without cost because Tembion Capital Management, LLC renders investment management services to clients that maintain assets and execute client brokerage transactions at Schwab. These services may benefit Tembion Capital Management, LLC, but not each of its clients directly. In fulfilling its duties to its clients, Tembion Capital Management, LLC endeavors at all times to put the interests of its clients first. Clients should be aware, however, that Tembion Capital Management, LLC's receipt of these economic benefits from a

broker-dealer creates a conflict of interest since these benefits may influence Tembion Capital Management, LLC's choice of broker-dealer over another broker-dealer that does not furnish similar services to Tembion Capital Management, LLC.

Wrap Program Accounts

While there is generally no difference between how wrap Program accounts are managed versus how accounts outside of the wrap Program are managed, Tembion Capital Management, LLC does face a conflict of interest with regard to its consideration of the purchase of certain mutual funds that are available on a no-transaction fee (NTF) basis and those with a transaction fee or commission payable to the executing broker-dealer. Because Tembion Capital Management, LLC itself incurs the transaction fee, if any, in wrap Program accounts, the firm has an incentive to select NTF fund shares, whether or not those NTF shares are in the client's best interest. This is at times the case due to the higher ongoing internal costs clients pay on NTF fund shares compared to shares where Tembion Capital Management, LLC pays a transaction fee. While Tembion Capital Management, LLC faces this inevitable conflict of interest, the firm mitigates the effects of this conflict by considering the client's best interest and through disclosure of this conflict.

Financial Information

Tembion Capital Management, LLC does not require or solicit the prepayment of more than \$1,200 in fees six months or more in advance. In addition, Tembion Capital Management, LLC is required to disclose any financial condition that is reasonably likely to impair its ability to meet contractual commitments to clients. Tembion Capital Management, LLC has no disclosures pursuant to this Item.