



**LITTLE  
HOUSE  
CAPITAL**

## **Little House Capital, LLC**

### **Form ADV Part 2A – Disclosure Brochure**

**Effective: March 30, 2020**

This Form ADV Part 2A (“Disclosure Brochure”) provides information about the qualifications and business practices of Little House Capital, LLC (“LHC” or the “Advisor”). If you have any questions about the content of this Disclosure Brochure, please contact the Advisor at (617) 545-5600 or by email at [Jeremy.David@littlehousecapital.com](mailto:Jeremy.David@littlehousecapital.com).

LHC is a registered investment advisor with U.S. Securities and Exchange Commission (“SEC”). The information in this Disclosure Brochure has not been approved or verified by the SEC or by any state securities authority. Registration of an investment advisor does not imply any specific level of skill or training. This Disclosure Brochure provides information about LHC to assist you in determining whether to retain the Advisor.

Additional information about LHC and its Advisory Persons is available on the SEC’s website at [www.adviserinfo.sec.gov](http://www.adviserinfo.sec.gov) by searching with the Advisor’s firm name or CRD# 290070.

**Little House Capital, LLC**  
**35 Braintree Hill Park, Suite 100**  
**Braintree, MA 02184**  
**Phone: (617) 545-5600 \* Fax: (617) 294-5396**  
<https://littlehousecapital.com/>

## Item 2 – Material Changes

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Form ADV 2 is divided into two parts: *Part 2A (the "Disclosure Brochure")* and *Part 2B (the "Brochure Supplement")*. The Disclosure Brochure provides information about a variety of topics relating to an Advisor's business practices and conflicts of interest. The Brochure Supplement provides information about the Advisory Persons of LHC. For convenience, the Advisor has combined these documents into a single account disclosure document.

LHC believes that communication and transparency are the foundation of its relationship with clients and will continually strive to provide you with complete and accurate information at all times. LHC encourages all current and prospective clients to read this Disclosure Brochure and discuss any questions you may have with the Advisor.

### Material Changes

The following material change has been made to this Disclosure Brochure since the last filing and distribution to Clients:

- The Advisor has updated their Disclosure Brochure to streamline the firm disclosures.
- The Advisor has updated its investment management fee schedule. Please see Item 5.

### Future Changes

From time to time, the Advisor may amend this Disclosure Brochure to reflect changes in business practices, changes in regulations or routine annual updates as required by the securities regulators. This complete Disclosure Brochure or a Summary of Material Changes shall be provided to you annually and if a material change occurs.

At any time, you may view the current Disclosure Brochure on-line at the SEC's Investment Adviser Public Disclosure website at [www.adviserinfo.sec.gov](http://www.adviserinfo.sec.gov) by searching with the Advisor's firm name or CRD# 290070. You may also request a copy of this Disclosure Brochure at any time by contacting the Advisor at (617) 545-5600 or by email at [Jeremy.David@littlehousecapital.com](mailto:Jeremy.David@littlehousecapital.com).

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## **Item 4 – Advisory Services**

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### **A. Firm Information**

Little House Capital, LLC (“LHC” or the “Advisor”) is a registered investment advisor with the U.S. Securities and Exchange Commission. The Advisor is organized as a Limited Liability Company (LLC) under the laws of the Commonwealth of Massachusetts. LHC was founded in November 2017, and is owned and operated by Robert Stimson (Founder/CEO/CIO). This Disclosure Brochure provides information regarding the qualifications, business practices, and the advisory services provided by LHC.

### **B. Advisory Services Offered**

LHC offers investment advisory services to individuals, high net worth individuals, trusts, estates, institutions, foundations endowments, other corporate structures, and retirement plans.

The Advisor serves as a fiduciary to Clients, as defined under the applicable laws and regulations. As a fiduciary, the Advisor upholds a duty of loyalty, fairness and good faith towards each Client and seeks to mitigate potential conflicts of interest. LHC’s fiduciary commitment is further described in the Advisor’s Code of Ethics. For more information regarding the Code of Ethics, please see Item 11 – Code of Ethics, Participation or Interest in Client Transactions and Personal Trading.

#### Investment Management Services

LHC provides customized investment advisory solutions for its Clients. This is achieved through continuous personal Client contact and interaction while providing discretionary investment management and related advisory services. LHC works closely with each Client to identify their investment goals and objectives as well as risk tolerance and financial situation in order to create a portfolio strategy. LHC will then construct an investment portfolio, consisting of individual stocks, or bonds to meet the needs of its Clients. The Advisor may also utilize low-cost, diversified mutual funds and/or exchange-traded funds (“ETFs”) to achieve the Client’s investment goals. The Advisor may retain certain types of investments based on a Client’s legacy investments based on portfolio fit and/or tax considerations.

LHC’s investment approach is primarily long-term focused, but the Advisor may buy, sell or re-allocate positions that have been held for less than one year to meet the objectives of the Client or due to market conditions. LHC will construct, implement and monitor the portfolio to ensure it meets the goals, objectives, circumstances, and risk tolerance agreed to by the Client. Each Client will have the opportunity to place reasonable restrictions on the types of investments to be held in their respective portfolio, subject to acceptance by the Advisor.

LHC evaluates and selects investments for inclusion in Client portfolios only after applying its internal due diligence process. LHC may recommend, on occasion, redistributing investment allocations to diversify the portfolio. LHC may recommend specific positions to increase sector or asset class weightings. The Advisor may recommend employing cash positions as a possible hedge against market movement. LHC may recommend selling positions for reasons that include, but are not limited to, harvesting capital gains or losses, business or sector risk exposure to a specific security or class of securities, overvaluation or overweighting of the position(s) in the portfolio, change in risk tolerance of the Client, generating cash to meet Client needs, or any risk deemed unacceptable for the Client’s risk tolerance.

Under certain circumstances, LHC may accept or maintain custody of Client’s funds or securities. Please see Item 15 – Custody for more information.

#### Wealth Management Services

LHC may also provide wealth management services to Clients who wish to receive help in these areas. These services may include tax and estate planning, multi-generational planning and risk mitigation planning in addition to other areas that may impact Clients’ financial situation. Our wealth management services include but are not limited to:

- Investment Management and Asset Allocation
- Financial and Retirement Planning
- Tax Planning
- Estate Planning
- Trustee Services
- Philanthropic Planning
- Risk Management
- Multi-generational Planning
- Business advice
- Account/data aggregation, reporting and supervision
- Family Office Planning

Depending on the Client, LHC will determine which services are appropriate based on the Client's goals and needs. The Advisor also has affiliated accounting and legal practices that may provide tax preparation, financial planning and legal services to the Advisor's Clients. Principals of the firm who maintain these outside practices provide these services independently from LHC. LHC Clients are under no obligation to utilize these other entities for other services.

Generally, such wealth management services involve preparing a formal financial plan or rendering a specific financial consultation based on the Client's financial goals and objectives.

#### Retirement Plan Advisory Services

LHC provides retirement plan advisory services on behalf of the retirement plans (each a "Plan") and the company that offers the Plan (the "Plan Sponsor"). The Advisor's retirement plan advisory services are designed to assist the Plan Sponsor in meeting its fiduciary obligations to the Plan and its Participants. Each engagement is customized to the needs of the Plan and Plan Sponsor. Services generally include:

- Vendor Analysis
- Plan Participant Enrollment and Education Tracking
- Investment Policy Statement ("IPS") Design and Monitoring
- Investment Oversight Services (ERISA 3(21))
- Investment Management Services (ERISA 3(38))
- Performance Reporting
- Ongoing Investment Recommendation and Assistance
- ERISA 404(c) Assistance
- Benchmarking Services

These services are provided by LHC serving in the capacity as a fiduciary under the Employee Retirement Income Security Act of 1974, as amended ("ERISA"). In accordance with ERISA Section 408(b)(2), LHC shall provide each Plan Sponsor with a written description of LHC's fiduciary status, the specific services to be rendered and all direct and indirect compensation the Advisor reasonably expects under the engagement.

#### **C. Client Account Management**

Prior to engaging LHC to provide investment advisory services, each Client is required to enter into one or more agreements with the Advisor that define the terms, conditions, authority and responsibilities of the Advisor and the Client. These services may include:

- Establishing an Investment Strategy – LHC, in connection with the Client, will develop a strategy that seeks to achieve the Client's goals and objectives.
- Asset Allocation – LHC will develop a strategic asset allocation that is targeted to meet the investment objectives, time horizon, financial situation and tolerance for risk for each Client.
- Portfolio Construction – LHC will develop a portfolio for the Client that is intended to meet the stated goals and objectives of the Client.

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- Investment Management and Supervision – LHC will provide investment management and ongoing oversight of the Client's investment portfolio.

#### **D. Wrap Fee Programs**

LHC does not manage or place Client assets into a wrap fee program. Investment management services are provided directly by LHC.

#### **E. Assets Under Management**

As of December 31, 2019 LHC manages \$209,732,603 in Client assets, \$208,612,483 of which are managed on a discretionary basis and \$1,120,120 on a non-discretionary basis. Clients may request more current information at any time by contacting the Advisor.

### **Item 5 – Fees and Compensation**

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The following paragraphs detail the fee structure and compensation methodology for services provided by the Advisor. Each Client engaging the Advisor for services described herein shall be required to enter into a written agreement with the Advisor.

#### **A. Fees for Advisory Services**

##### Investment Management Services

Investment advisory fees are charged and payable either monthly or quarterly in arrears, pursuant to the terms of the investment advisory agreement. Investment advisory fees are based on the daily average balance of assets under management for the billing period. Investment advisory fees are based on the following schedule:

<b>Assets Under Management (\$)</b>	<b>Annual Rate (%)</b>
Up to \$1,000,000	1.00%
Next to \$1,000,000	0.90%
Next to \$3,000,000	0.80%
Over \$5,000,000	0.70%

Prior to April 1, 2020 certain legacy Clients may be subject to the below tiered schedules based on the Client's investment advisory agreement.

<b>Assets Under Management (\$)</b>	<b>Annual Rate (%)</b>
Up to \$1,000,000	1.10%
Next to \$1,000,000	0.90%
Next to \$3,000,000	0.70%
Over \$5,000,000	0.50%

<b>Assets Under Management (\$)</b>	<b>Annual Rate (%)</b>
Up to \$1,000,000	1.25%
Next to \$4,000,000	1.15%
Next to \$2,500,000	1.00%
Next to \$2,500,000	0.85%
Next to \$5,000,000	0.75%
Next to \$5,000,000	0.60%
Over to \$20,000,000	0.50%

The investment advisory fee in the first month or quarter of service is prorated from the inception date of the account(s) to the end of the first month or quarter. Fees may be negotiable at the sole discretion of the Advisor. The Client's fees will take into consideration the aggregate assets under management with the Advisor. All securities held in accounts managed by LHC will be independently valued by the Custodian. LHC will not have the authority or responsibility to value portfolio securities.

The Advisor's fee is exclusive of, and in addition to any applicable securities transaction and custody fees, and other related costs and expenses described in Item 5.C below, which may be incurred by the Client. However, the Advisor shall not receive any portion of these commissions, fees, and costs.

#### Wealth Management Services

LHC offers wealth management services as a component of its investment management services.

#### Retirement Plan Advisory Services

Fees for retirement plan advisory services are charged an annual asset-based fee depending on the capacity in which LHC is performing. When acting in a 3(21) capacity the annual fee is 0.50% with a minimum fee of \$5,000. When acting in the capacity of a 3(38) discretionary fiduciary the annual fee is based on the tiered schedule for investment management above, and are billed in arrears either monthly or quarterly, pursuant to the terms of the retirement plan advisory agreement. Retirement plan advisory fees are based on the daily average account balance of assets under management for the billing period. Fees may be negotiable depending on the size and complexity of the Plan.

### **B. Fee Billing**

#### Investment Management Services

Investment advisory fees are calculated by the Advisor or its delegate and deducted from the Client's account(s) at the Custodian. The Advisor shall send an invoice to the Custodian indicating the amount of the fees to be deducted from the Client's account(s) at the end date of the respective billing period. The amount due is calculated by applying the periodic billing rate (for monthly billing, the annual rate divided by 12, for quarterly billing, the annual rate divided by 4) to the total assets under management with LHC at the end of the prior billing period. Clients will be provided with a statement, at least quarterly, from the Custodian reflecting deduction of the investment advisory fee. It is the responsibility of the Client to verify the accuracy of these fees as listed on the Custodian's brokerage statement as the Custodian does not assume this responsibility. Clients provide written authorization permitting advisory fees to be deducted by LHC to be paid directly from their account(s) held by the Custodian as part of the investment advisory agreement and separate account forms provided by the Custodian.

#### Wealth Management Services

LHC offers wealth management services as a component of its investment management services.

### **C. Other Fees and Expenses**

Clients may incur certain fees or charges imposed by third parties, other than LHC, in connection with investments made on behalf of the Client's account(s). The Advisor's recommended Custodian does not charge securities transaction fees for ETF and equity trades in a Client's account, provided that the account meets the terms and conditions of the Custodian's brokerage requirements. However, the Custodian typically charges for mutual funds and other types of investments. The Client is responsible for all custody and securities execution fees charged by the Custodian. LHC does not receive any of these fees. The fees charged by LHC are separate and distinct from these custody and execution fees.

In addition, all fees paid to LHC for investment advisory services are separate and distinct from the expenses charged by mutual funds and ETFs to their shareholders, if applicable. These fees and expenses are described in each fund's prospectus. These fees and expenses will generally be used to pay management fees for the funds, other fund expenses, account administration (e.g., custody, brokerage and account reporting), and a possible distribution fee. A Client may be able to invest in these products directly, without the services of LHC, but would not receive the services provided by LHC which are designed, among other things, to assist the Client in determining which products or services are most appropriate for each Client's financial situation and objectives. Accordingly, the Client should review both the fees charged by the fund(s) and the fees charged by LHC to fully understand the total fees to be paid. Please refer to Item 12 – Brokerage Practices for additional information.

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## **D. Advance Payment of Fees and Termination**

### Investment Management Services / Wealth Management Services

LHC is compensated for its services at the end of the month or quarter after investment advisory services are rendered. Either party may terminate the investment advisory agreement, at any time, by providing advance written notice to the other party. The Client may also terminate the investment advisory agreement within five (5) business days of signing the Advisor's agreement at no cost to the Client. After the five-day period, the Client will incur charges for bona fide advisory services rendered to the point of termination and such fees will be due and payable by the Client. The Client's investment advisory agreement with the Advisor is non-transferable without the Client's prior consent.

### Retirement Plan Advisory Services

LHC is compensated for its services at the end of the monthly or quarterly after advisory services are rendered. Either party may terminate the retirement plan advisory agreement, at any time, by providing advance written notice to the other party. The Client shall be responsible for retirement plan advisory fees up to and including the effective date of termination. The Client's retirement plan advisory agreement with the Advisor is non-transferable without the Client's prior consent.

## **E. Compensation for Sales of Securities**

LHC does not buy or sell securities to earn commissions and does not receive any compensation for securities transactions in any Client account, other than the investment advisory fees noted above.

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

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LHC does not charge performance-based fees for its investment advisory services. The fees charged by LHC are as described in Item 5 above and are not based upon the capital appreciation of the funds or securities held by any Client.

LHC does not manage any proprietary investment funds or limited partnerships (for example, a mutual fund or a hedge fund) and has no financial incentive to recommend any particular investment options to its Clients.

## **Item 7 – Types of Clients**

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LHC offers investment advisory services to individuals, high net worth individuals, institutions, foundations, endowments, other corporate structures and trusts. The amount of each type of Client is available on LHC's Form ADV Part 1A. These amounts may change over time and are updated at least annually by the Advisor. LHC generally does not impose a minimum relationship size for Client accounts it manages. Certain managed account programs or non-affiliated managers may impose a minimum account size for acceptance in these offerings.

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

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### **A. Methods of Analysis**

LHC primarily employs fundamental and technical analysis methods in developing investment strategies for its Clients. Research and analysis from LHC are derived from numerous sources, including financial media companies, third-party research materials, internet sources, and review of company activities and filings, including quarterly and annual reports, transcripts, financial statements, prospectuses, press releases and research prepared by others.

*Fundamental analysis* is an investment discipline that utilizes economic and business indicators as investment selection criteria. In general, it seeks to measure a security's intrinsic value by examining related economic and financial factors and studying anything that can affect the security's value, from macroeconomic factors such as the state of the economy and industry conditions to microeconomic factors such as the effectiveness of the company's management. While this type of analysis helps the Advisor in evaluating a potential investment, it does not guarantee that the investment will increase in value. Assets meeting the investment criteria utilized in

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the fundamental analysis may lose value and may have negative investment performance. The Advisor monitors these economic indicators to determine if adjustments to strategic allocations are appropriate. More details on the Advisor's review process are included below in Item 13 – Review of Accounts.

*Technical analysis* is an investment discipline that involves the analysis of statistical trends gathered from trading activity, such as price movement and volume rather than company-specific data. Technical analysis may involve the use of charts to identify market patterns and trends, which may be based on general investor sentiment rather than the fundamentals of a particular company. The primary risk in using technical analysis is that spotting historical trends may not help to predict such trends in the future. Even if the trend will eventually reoccur, there is no guarantee that LHC will be able to accurately predict such a reoccurrence.

As noted above, LHC generally employs a long-term investment strategy for its Clients, as consistent with their financial goals. LHC will typically hold all or a portion of a security for more than a year but may hold for shorter periods for the purpose of rebalancing a portfolio or meeting the cash needs of Clients. At times, LHC may also buy and sell positions that are more short-term in nature, depending on the goals of the Client and/or the fundamentals of the security, sector or asset class.

## **B. Risk of Loss**

Investing in securities involves certain investment risks. Securities may fluctuate in value or lose value. Clients should be prepared to bear the potential risk of loss. LHC will assist Clients in determining an appropriate strategy based on their tolerance for risk and other factors noted above. However, there is no guarantee that a Client will meet their investment goals.

While the methods of analysis help the Advisor in evaluating a potential investment, it does not guarantee that the investment will increase in value. Assets meeting the investment criteria utilized in these methods of analysis may lose value and may have negative investment performance. The Advisor monitors these economic indicators to determine if adjustments to strategic allocations are appropriate. More details on the Advisor's review process are included below in Item 13 – Review of Accounts.

Each Client engagement will entail a review of the Client's investment goals, financial situation, time horizon, tolerance for risk and other factors to develop an appropriate strategy for managing a Client's account. Client participation in this process, including full and accurate disclosure of requested information, is essential for the analysis of a Client's account(s). The Advisor shall rely on the financial and other information provided by the Client or their designees without the duty or obligation to validate the accuracy and completeness of the provided information. It is the responsibility of the Client to inform the Advisor of any changes in the Client's financial condition, goals or other factors that may affect LHC's analysis and recommendations.

The risks associated with a particular strategy are provided to and discussed with each Client in advance of investing Client accounts. The Advisor will work with each Client to determine their tolerance for risk as part of the portfolio construction process. Following are some of the risks associated with certain components of the Advisor's investment approach:

### Market Risks

The value of a Client's holdings may fluctuate in response to events specific to companies or markets, as well as economic, political, or social events in the U.S. and abroad. This risk is linked to the performance of the overall financial markets.

### ETF Risks

The performance of ETFs is subject to market risk, including the possible loss of principal. The price of the ETFs will fluctuate with the price of the underlying securities that make up the funds. In addition, ETFs have a trading risk based on the loss of cost efficiency if the ETFs are traded actively and a liquidity risk if the ETFs have a large bid-ask spread and low trading volume. The price of an ETF fluctuates based upon the market movements and may dissociate from the index being tracked by the ETF or the price of the underlying investments. An ETF purchased or sold at one point in the day may have a different price than the same ETF purchased or sold a short time later.

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### Mutual Fund Risks

The performance of mutual funds is subject to market risk, including the possible loss of principal. The price of the mutual funds will fluctuate with the value of the underlying securities that make up the funds. The price of a mutual fund is typically set daily therefore a mutual fund purchased at one point in the day will typically have the same price as a mutual fund purchased later that same day.

### Alternative Investments

The performance of alternative investments can be volatile and may have limited liquidity. An investor could lose all or a portion of their investment. Such investments often have concentrated positions and investments that may carry higher risks. Client should only have a portion of their assets in these investments.

**Past performance is not a guarantee of future returns. Investing in securities and other investments involve a risk of loss that each Client should understand and be willing to bear. Clients are reminded to discuss these risks with the Advisor.**

## **Item 9 – Disciplinary Information**

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**There are no legal, regulatory or disciplinary events involving LHC or its owner.** LHC values the trust Clients place in the Advisor. The Advisor encourages Clients to perform the requisite due diligence on any advisor or service provider that the Client engages. The backgrounds of the Advisor or Advisory Persons are available on the Investment Adviser Public Disclosure website at [www.adviserinfo.sec.gov](http://www.adviserinfo.sec.gov) by searching with the Advisor's firm name or CRD# 290070.

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

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Robert Murphy, in his separate capacity, is also a CPA with his personal tax practice. Mr. Murphy offers accounting, tax preparation, and other related services. Accounting services provided by Mr. Murphy are separate from advisory services offered by LHC, and are paid by separate fees. LHC may recommend Clients engage Mr. Murphy for accounting, tax preparation and other related services. Clients are under no obligation to utilize Mr. Murphy for accounting tax preparation and other related services. Mr. Murphy spends less than 10% of his time per month in this capacity.

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

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### **A. Code of Ethics**

LHC has implemented a Code of Ethics (the "Code") that defines the Advisor's fiduciary commitment to each Client. This Code applies to all persons associated with LHC ("Supervised Persons"). The Code was developed to provide general ethical guidelines and specific instructions regarding the Advisor's duties to the Client. LHC and its Supervised Persons owe a duty of loyalty, fairness and good faith towards each Client. It is the obligation of LHC's Supervised Persons to adhere not only to the specific provisions of the Code, but also to the general principles that guide the Code. The Code covers a range of topics that address employee ethics and conflicts of interest. To request a copy of the Code, please contact the Advisor at (617) 545-5600 or via email at [Jeremy.David@littlehousecapital.com](mailto:Jeremy.David@littlehousecapital.com).

### **B. Personal Trading with Material Interest**

LHC allows Supervised Persons to purchase or sell the same securities that may be recommended to and purchased on behalf of Clients. LHC does not act as principal in any transactions. In addition, the Advisor does not act as the general partner of a fund, or advise an investment company. LHC does not have a material interest in any securities traded in Client accounts.

### **C. Personal Trading in Same Securities as Clients**

LHC allows Supervised Persons to purchase or sell the same securities that may be recommended to and purchased on behalf of Clients. Owning the same securities that are recommended (purchase or sell) to Clients presents a conflict of interest that, as fiduciaries, must disclose to Clients and mitigated through policies and

procedures. As noted above, the Advisor has adopted the Code to address insider trading (material non-public information controls); gifts and entertainment; outside business activities and personal securities reporting. When trading for personal accounts, Supervised Persons have a conflict of interest if trading in the same securities. The fiduciary duty to act in the best interest of its Clients can be violated if personal trades are made with more advantageous terms than Client trades, or by trading based on material non-public information. This risk is mitigated by LHC requiring reporting of personal securities trades by its Supervised Persons for review by the Chief Compliance Officer ("CCO") or delegate. The Advisor has also adopted written policies and procedures to detect the misuse of material, non-public information.

#### **D. Personal Trading at Same Time as Client**

While LHC allows Supervised Persons to purchase or sell the same securities that may be recommended to and purchased on behalf of Clients, such trades are typically aggregated with Client orders or traded afterward. **At no time will LHC, or any Supervised Person of LHC, transact in any security to the detriment of any Client.**

### **Item 12 – Brokerage Practices**

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#### **A. Recommendation of Custodian[s]**

LHC does not have discretionary authority to select the broker-dealer/custodian for custody and execution services. The Client will engage the broker-dealer/custodian (herein the "Custodian") to safeguard Client assets and authorize LHC to direct trades to the Custodian as agreed upon in the investment advisory agreement. Further, LHC does not have the discretionary authority to negotiate commissions on behalf of Clients on a trade-by-trade basis.

Where LHC does not exercise discretion over the selection of the Custodian, it may recommend the Custodian(s) to Clients for custody and execution services. Clients are not obligated to use the Custodian recommended by the Advisor and will not incur any extra fee or cost associated with using a custodian not recommended by LHC. However, the Advisor may be limited in the services it can provide if the recommended Custodian is not engaged. LHC may recommend the Custodian based on criteria such as, but not limited to, reasonableness of commissions charged to the Client, services made available to the Client, and its reputation and/or the location of the Custodian's offices.

LHC will generally recommend that Clients establish their account[s] at either Charles Schwab & Co., Inc. ("Schwab") or Fidelity Investments ("Fidelity"), both FINRA-registered broker-dealers and SIPC members. Clients through the completion of a Client agreement will select which custodian will serve as the Client's "qualified custodian". LHC maintains an institutional relationship with both Schwab and Fidelity whereby the Advisor receives economic benefits from the custodians (Please see Item 14 – Client Referrals and Other Compensation below).

Following are additional details regarding the brokerage practices of the Advisor:

**1. Soft Dollars** - Soft dollars are revenue programs offered by broker-dealers/custodians whereby an advisor enters into an agreement to place security trades with a broker-dealer/custodian in exchange for research and other services. **LHC does not participate in soft dollar programs sponsored or offered by any broker-dealer/custodian. However, the Advisor receives certain economic benefits from the Custodian. Please see Item 14 below.**

**2. Brokerage Referrals** - LHC does not receive any compensation from any third party in connection with the recommendation for establishing an account.

**3. Directed Brokerage** - All Clients are serviced on a "directed brokerage basis", where LHC will place trades within the established account(s) at the Custodian designated by the Client. Further, all Client accounts are traded within their respective account(s). The Advisor will not engage in any principal transactions (i.e., trade of any security from or to the Advisor's own account) or cross transactions with other Client accounts (i.e., purchase of a security into one Client account from another Client's account(s)). LHC will not be obligated to select

competitive bids on securities transactions and does not have an obligation to seek the lowest available transaction costs. These costs are determined by the Custodian.

### **B. Aggregating and Allocating Trades**

The primary objective in placing orders for the purchase and sale of securities for Client accounts is to obtain the most favorable net results taking into account such factors as 1) price, 2) size of the order, 3) difficulty of execution, 4) confidentiality and 5) skill required of the Custodian. LHC will execute its transactions through the Custodian as authorized by the Client.

LHC may aggregate orders in a block trade or trades when securities are purchased or sold through the same Custodian for multiple (discretionary) accounts in the same trading day. If a block trade cannot be executed in full at the same price or time, the securities actually purchased or sold by the close of each business day must be allocated in a manner that is consistent with the initial pre-allocation or other written statement. This must be done in a way that does not consistently advantage or disadvantage any particular Clients' accounts.

## **Item 13 – Review of Accounts**

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### **A. Frequency of Reviews**

Securities in Client accounts are monitored on a regular and continuous basis by Jeremy David, Chief Compliance Officer of LHC. Formal reviews are generally conducted at least annually or more frequently depending on the needs of the Client.

### **B. Causes for Reviews**

In addition to the investment monitoring noted in Item 13.A., each Client account shall be reviewed at least annually. Reviews may be conducted more frequently at the Client's request. Accounts may be reviewed as a result of major changes in economic conditions, known changes in the Client's financial situation, and/or large deposits or withdrawals in the Client's account(s). The Client is encouraged to notify LHC if changes occur in the Client's personal financial situation that might adversely affect the Client's investment plan. Additional reviews may be triggered by material market, economic or political events.

### **C. Review Reports**

The Client will receive brokerage statements no less than quarterly from the Custodian. These brokerage statements are sent directly from the Custodian to the Client. The Client may also establish electronic access to the Custodian's website so that the Client may view these reports and their account activity. Client brokerage statements will include all positions, transactions and fees relating to the Client's account(s). The Advisor may also provide Clients with periodic reports regarding their holdings, allocations, and performance.

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

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### **A. Compensation Received by LHC**

LHC is a fee-based advisory firm that is compensated solely by its Clients and not from any investment product. LHC does not receive commissions or other compensation from product sponsors, broker-dealers or any un-related third party. LHC may refer Clients to various unaffiliated, non-advisory professionals (e.g. attorneys, accountants, insurance agents, banks) to provide certain financial services necessary to meet the goals of its Clients. Likewise, LHC may receive non-compensated referrals of new Clients from various third-parties.

### Participation in Institutional Advisor Platform

LHC has established an institutional relationship with Fidelity ("Custodian") to assist the Advisor in managing Client account(s). Access to the Fidelity platform is provided at no charge to the Advisor. The Advisor receives access to software and related support without cost because the Advisor renders investment management services to Clients that maintain assets at Fidelity. The software and related systems support may benefit the Advisor, but not its Clients directly. In fulfilling its duties to its Clients, the Advisor endeavors at all times to put the interests of its Clients first. Clients should be aware, however, that the receipt of economic benefits from a Custodian creates a conflict of

interest since these benefits may influence the Advisor's recommendation of this Custodian over one that does not furnish similar software, systems support, or services.

LHC has established an institutional relationship with Schwab through its "Schwab Advisor Services" unit, a division of Schwab dedicated to serving independent advisory firms like LHC. As a registered investment advisor participating on the Schwab Advisor Services platform, LHC receives access to software and related support without cost because the Advisor renders investment management services to Clients that maintain assets at Schwab. Services provided by Schwab Advisor Services benefit the Advisor and many, but not all services provided by Schwab will benefit Clients. In fulfilling its duties to its Clients, the Advisor endeavors at all times to put the interests of its Clients first. Clients should be aware, however, that the receipt of economic benefits from a custodian creates a conflict of interest since these benefits may influence the Advisor's recommendation of this custodian over one that does not furnish similar software, systems support, or services.

*Services that Benefit the Client* – Schwab's institutional brokerage services include access to a broad range of investment products, execution of securities transactions, and custody of Client's funds and securities. Through Schwab, the Advisor may be able to access certain investments and asset classes that the Client would not be able to obtain directly or through other sources. Further, the Advisor may be able to invest in certain mutual funds and other investments without having to adhere to investment minimums that might be required if the Client were to directly access the investments.

*Services that May Indirectly Benefit the Client* – Schwab provides participating advisors with access to technology, research, discounts and other services. In addition, the Advisor receives duplicate statements for Client accounts, the ability to deduct advisory fees, trading tools, and back office support services as part of its relationship with Schwab. These services are intended to assist the Advisor in effectively managing accounts for its Clients, but may not directly benefit all Clients.

*Services that May Only Benefit the Advisor* – Schwab also offers other services and financial support to LHC that may not benefit the Client, including: educational conferences and events, financial start-up support, consulting services and discounts for various service providers. Access to these services creates a financial incentive for the Advisor to recommend Schwab, which results in a conflict of interest. LHC believes, however, that the selection of Schwab as Custodian is in the best interests of its Clients.

## **B. Client Referrals from Solicitors**

LHC may engage and compensate unaffiliated third-party referral sources (a "solicitor") for Client referrals. Clients will not pay a higher fee to LHC as a result of such payments to a solicitor. The Advisor shall enter into an agreement with the solicitor, which requires that full disclosure of the compensation and other conflicts is provided to the prospective Client prior to or at the time of entering into the advisory agreement.

## **Item 15 – Custody**

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All Clients must maintain their accounts with a "qualified custodian," as described in Item 12 – Brokerage Practices. LHC accepts custody of a Client's funds or securities, through the deduction of management fees from the Client's account(s) at the Custodian, and in certain situations where Supervised Persons of LHC serve as trustee for certain relationships.

Additionally, if the Client gives the Advisor the authority to move money from one account to another account, the Advisor may have custody of those assets. In order to avoid additional regulatory requirements in these cases, the Custodian and the Advisor have adopted safeguards to ensure that the money movements are completed in accordance with the Client's instructions.

Clients receive account statements at least quarterly and generally monthly from the Custodian. The Custodian statement is the official record of your account for tax purposes. For more information about custodians and brokerage practices, see Item 12 – Brokerage Practices.



### **Surprise Independent Examination**

LHC is deemed to have custody over Client accounts and securities. Pursuant to securities regulations the Advisor is required to engage an independent accounting firm to perform an annual surprise examination of those assets and accounts over which the Advisor maintains custody. Any related opinions issued by an independent accounting firm are filed with the SEC and are publicly available on the SEC's Investment Adviser Public Disclosure website (<http://adviserinfo.sec.gov>).

If the Client gives the Advisor authority to move money from one account to another account, the Advisor may have custody of those assets. In order to avoid additional regulatory requirements, the Custodian and the Advisor have adopted safeguards to ensure that the money movements are completed in accordance with the Client's instructions.

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

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LHC generally has discretion over the selection and amount of securities to be bought or sold in Client accounts without obtaining prior consent or approval from the Client. However, these purchases or sales may be subject to specified investment objectives, guidelines, or limitations previously set forth by the Client and agreed to by LHC. Discretionary authority will only be authorized upon full disclosure to the Client. The granting of such authority will be evidenced by the Client's execution of an investment advisory agreement containing all applicable limitations to such authority. All discretionary trades made by LHC will be in accordance with each Client's investment objectives and goals.

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

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Unless the Client directs otherwise in writing, LHC is responsible for voting Client Proxies. Absent specific voting guidelines from the Client, LHC votes proxies in the best interest of the Clients. The Advisor's policy is to vote all proxies from a specific issuer the same way for each Client absent qualifying restrictions. LHC will generally vote in favor of routine corporate proposals. LHC will also generally vote against proposals that would cause board members to become entrenched or cause unequal voting rights. In reviewing proposals, LHC will further consider the opinion of management and the effect on management, and the effect of shareholder value and the issuer's business practice. Since LHC may invest Client assets in holdings listed on a foreign exchange, it is possible that LHC will not receive proxy information until after a deadline to vote the proxy.

LHC maintains copies of Client proxies and the records regarding how each proxy was voted. Clients may request a copy of LHC's written policies and procedures regarding proxy voting and/or information on how particular proxies were voted by contacting the Advisor's CCO. Clients who would like to vote their own proxies should contact the Advisor.

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

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Neither LHC, nor its management, have any adverse financial situations that would reasonably impair the ability of LHC to meet all obligations to its Clients. Neither LHC, nor any of its Advisory Persons, have been subject to a bankruptcy or financial compromise. LHC is not required to deliver a balance sheet along with this Disclosure Brochure as the Advisor does not collect advance fees of \$1,200 or more for services to be performed six months or more in the future.

## Privacy Policy

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Effective: March 30, 2020

### Our Commitment to You

Little House Capital, LLC ("LHC" or the "Advisor") is committed to safeguarding the use of personal information of our Clients (also referred to as "you" and "your") that we obtain as your Investment Advisor, as described here in our Privacy Policy ("Policy").

Our relationship with you is our most important asset. We understand that you have entrusted us with your private information, and we do everything that we can to maintain that trust. LHC (also referred to as "we", "our" and "us") protects the security and confidentiality of the personal information we have and implements controls to ensure that such information is used for proper business purposes in connection with the management or servicing of our relationship with you.

LHC does not sell your non-public personal information to anyone. Nor do we provide such information to others except for discrete and reasonable business purposes in connection with the servicing and management of our relationship with you, as discussed below.

Details of our approach to privacy and how your personal non-public information is collected and used are set forth in this Policy.

### Why you need to know?

Registered Investment Advisors ("RIAs") must share some of your personal information in the course of servicing your account. Federal and State laws give you the right to limit some of this sharing and require RIAs to disclose how we collect, share, and protect your personal information.

### What information do we collect from you?

Driver's license number	Date of birth
Social security or taxpayer identification number	Assets and liabilities
Name, address and phone number[s]	Income and expenses
E-mail address[es]	Investment activity
Account information (including other institutions)	Investment experience and goals

### What Information do we collect from other sources?

Custody, brokerage and advisory agreements	Account applications and forms
Other advisory agreements and legal documents	Investment questionnaires and suitability documents
Transactional information with us or others	Other information needed to service account

### How do we protect your information?

To safeguard your personal information from unauthorized access and use we maintain physical, procedural and electronic security measures. These include such safeguards as secure passwords, encrypted file storage and a secure office environment. Our technology vendors provide security and access control over personal information and have policies over the transmission of data. Our associates are trained on their responsibilities to protect Client's personal information.

We require third parties that assist in providing our services to you to protect the personal information they receive from us.



### How do we share your information?

An RIA shares Client personal information to effectively implement its services. In the section below, we list some reasons we may share your personal information.

Basis For Sharing	Do we share?	Can you limit?
<b>Servicing our Clients</b> We may share non-public personal information with non-affiliated third parties (such as administrators, brokers, custodians, regulators, credit agencies, other financial institutions) as necessary for us to provide agreed upon services to you, consistent with applicable law, including but not limited to: processing transactions; general account maintenance; responding to regulators or legal investigations; and credit reporting.	Yes	No
<b>Marketing Purposes</b> LHC does not disclose, and does not intend to disclose, personal information with non-affiliated third parties to offer you services. Certain laws may give us the right to share your personal information with financial institutions where you are a customer and where LHC or the client has a formal agreement with the financial institution. <b>We will only share information for purposes of servicing your accounts, not for marketing purposes.</b>	No	Not Shared
<b>Authorized Users</b> Your non-public personal information may be disclosed to you and persons that we believe to be your authorized agent[s] or representative[s].	Yes	Yes
<b>Information About Former Clients</b> LHC does not disclose and does not intend to disclose, non-public personal information to non-affiliated third parties with respect to persons who are no longer our Clients.	No	Not Shared

### State-specific Regulations

Massachusetts	In response to Massachusetts law, the Client must “opt-in” to share non-public personal information with non-affiliated third parties before any personal information is disclosed. Client opt-in is obtained through the Client’s execution of authorization forms provided by the third parties, by executing an Information Sharing Authorization Form, or by other written consent by the Client, as appropriate and consistent with applicable laws and regulations.
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### Changes to our Privacy Policy

We will send you a copy of this Policy annually for as long as you maintain an ongoing relationship with us.

Periodically we may revise this Policy and will provide you with a revised Policy if the changes materially alter the previous Privacy Policy. We will not, however, revise our Privacy Policy to permit the sharing of non-public personal information other than as described in this notice unless we first notify you and provide you with an opportunity to prevent the information sharing.

### Any Questions?

You may ask questions or voice any concerns, as well as obtain a copy of the Advisor’s current Privacy Policy by contacting us at (617) 545-5600 or via email at [jeremy.david@littlehousecapital.com](mailto:jeremy.david@littlehousecapital.com).