

Foxhall Capital Management, Inc.

**2 West Washington Street
Middleburg, Virginia 20118
800-416-2053**

**www.fairfax-global.com
March 2020**

This brochure provides information about the qualifications and business practices of Foxhall Capital Management, Inc., ("FCM"). If you have any questions about the contents of this brochure, please contact us at 800-416-2053. The information in this brochure has not been approved or verified by the United States Securities and Exchange Commission ("SEC") or by any state securities authority.

Foxhall Capital Management, Inc. is a registered investment adviser with the SEC under the Investment Advisers Act of 1940. Registration of an investment adviser does not imply any level of skill or training. Additional information about FCM also is available on the SEC's website at www.adviserinfo.sec.gov.

Item 2 Material Changes

Foxhall Capital Management, Inc. has updated Form ADV Part 2A (brochure) as part of the annual amendment process. There have been no material changes to the Firm's business practices since our last annual brochure update dated March 2019 and therefore no material changes have been made to this brochure.

Item 3 Table of Contents

Item 1	Cover Page	1
Item 2	Material Changes	2
Item 3	Table of Contents	2
Item 4	Advisory Business	3
Item 5	Fees and Compensation	5
Item 6	Performance-Based Fees and Side-By-Side Management	7
Item 7	Types of Clients	7
Item 8	Methods of Analysis, Investment Strategies and Risk of Loss	7
Item 9	Disciplinary Information	9
Item 10	Other Financial Industry Activities and Affiliations.....	10
Item 11	Code of Ethics, Participation or Interest in Client Transactions and Personal Trading	10
Item 12	Brokerage Practices.....	11
Item 13	Review of Accounts.....	14
Item 14	Client Referrals and Other Compensation.....	14
Item 15	Custody	14
Item 16	Investment Discretion	15
Item 17	Voting Client Securities	15
Item 18	Financial Information	15

Item 4 **Advisory Business**

Foxhall Capital Management, Inc. ("FCM") has been in business since 1986 and is 100% owned by Waterside Capital Corporation. As a registered investment adviser subject to Section 206 of the Advisers Act, FCM acts as a Fiduciary related to the conduct of its investment advisory services. As such FCM has an obligation to act in the best interest of its clients guided by the core fiduciary duties of loyalty and care.

FCM offers a combination of advisory services, where appropriate, to individuals, pension plans (including 401(k) plans), profit-sharing plans, trust, estates, charitable organizations and corporations. These services are provided through management of separately managed accounts and third-party management of variable annuity and variable universal life accounts. FCM provides its portfolio management and asset allocation services on a discretionary basis only. FCM may use related and unrelated sub-advisors and third party managers when providing investment managements services to clients.

Prior to engaging FCM to provide planning or consulting services, clients are required to enter into an Investment Advisory Agreement with FCM. The Agreement sets forth the terms and conditions of the engagement, including the manner of termination of the Agreement. The Agreement also describes the scope of the services to be provided and the portion of the fee that is due from the client before FCM commences its services.

Investment Advisory Services

The majority of FCM's business is dedicated to providing investment supervisory services to separately managed accounts using model portfolios managed on a sub-advisory basis by Fairfax Global Markets LLC ("Fairfax"), an adviser which is related to FCM as detailed below in Item 10. Generally, clients are referred to FCM by independent investment advisers and registered representatives of broker-dealers. Each portfolio is designed to meet a particular investment goal which the client, together with such client's soliciting representative, have determined suitable to the client's circumstances. Generally, portfolios are comprised of third-party managed exchange-traded funds ("ETFs"), mutual funds, or stocks. Once the appropriate portfolio has been determined, the portfolio will be continuously managed based on the portfolio's goal, rather than on each client's individual needs. However, each client will have the opportunity to place reasonable restrictions on the types of investments to be held in the portfolio.

In some cases, FCM directly provides investment advisory services to accounts, either due to the accounts being opened directly with FCM or due to the discontinuance of a relationship between FCM and the solicitor who referred the account. For such accounts, FCM will ensure that the following conditions are met and maintained:

- 1) FCM will manage each client's account on the basis of the client's financial situation and investment objectives and any reasonable investment restrictions the client may impose;

- 2) FCM or the financial representative will be reasonably available to consult with the client;
- 3) Each client is able to impose reasonable investment restrictions on the management of the account;
- 4) Each client will receive a quarterly statement from their custodian with a description of all account activity; and
- 5) Each client will retain certain indicia of ownership of the securities and funds in the account, e.g., the ability to withdraw securities, vote securities, among others.

Variable Annuity and Variable Universal Life Accounts

FCM has relationships with certain financial advisers for whom it offers its services to the financial advisers' clients. These services are limited to providing advice on how a client should allocate investments in a variable annuity or variable universal life account, as the case may be, among the limited array of investment options contained within various sub-accounts, which offer a variety of trading strategies. In providing this type of advice, FCM provides its recommended allocation of the client's investment assets at the time of the client's initial investment based on a model strategy.

Rollover to IRA

As noted above, a soliciting representative may recommend to clients that they rollover their retirement plan assets from a qualified employer-sponsored retirement plan ("Employer Plan") to an Individual Retirement Account ("IRA"). Clients considering this should review and consider the advantages and disadvantages of an IRA rollover from their Employer Plan. A plan participant leaving an employer typically has four options (and may engage in a combination of these options):

- (1) Leave the money in the former employer's plan, if permitted;
- (2) Rollover the assets to a new employer's plan (if available and rollovers are permitted);
- (3) Rollover Employer Plan assets to an IRA; or,
- (4) Cash out the Employer Plan assets and pay the required taxes on the distribution.

At a minimum, Investors should consider fees and expenses, investment options, services, penalty-free withdrawals, protection from creditors and legal judgments, required minimum distributions, and employer stock. FCM encourages you to discuss your options and review the above listed considerations with an accountant, third-party administrator, investment advisor to your Employer Plan (if available), or legal counsel, to the extent you consider necessary.

By recommending that clients rollover Employer Plan assets to an IRA, FCM and the soliciting representative earns asset-based fees or other compensation as a result. In

contrast, leaving assets in an Employer Plan or rolling the assets to a plan sponsored by a new employer likely results in little or no compensation to FCM or the soliciting representative who have an economic incentive to encourage investors to rollover Employer Plan assets into an IRA maintained at FCM. Clients may face increased fees when they move retirement assets from an Employer Plan to a Rollover IRA account. Even if there are no costs associated with the IRA rollover itself, there will be costs associated with account administration, investment management, or both. In addition to the fees charged by FCM, the underlying investment (mutual fund, ETF, annuity, or other investment) may also charge a management fee. Custodial and trading fees may also apply. Investing in an IRA with FCM will typically be more expensive than an Employer Plan.

Additional resources about IRA Rollovers are available to investors through FINRA's web site at www.finra.org.

As of January 31, 2020, discretionary assets under management were \$1,036,504. As reported on FCM's ADV Part 1 amendment, none of these assets are classified as Regulatory Assets Under Management ("RAUM") as all are managed on a sub-advisory basis by Fairfax.

Item 5 Fees and Compensation

Client Agreements: FCM shall enter into a written client agreement with each client for whom FCM acts as an investment adviser prior to rendering investment advisory services. FCM will generally use its standard client agreements unless terms and conditions of a particular engagement require use of a non-standard client agreement. The client may only engage FCM to provide discretionary investment advisory services.

Clients generally elect to have FCM's advisory fees deducted from their custodial account. Both FCM's investment advisory agreement and the custodial/clearing agreement may authorize the custodian to debit the account for the amount of FCM's advisory fee and to directly remit that management fee to FCM. FCM may also bill the client directly if stipulated in the investment management agreement. In the case of direct billing, payment is due upon receipt of FCM's invoice. FCM will deduct fees and/or bill clients monthly or quarterly in advance. The fee for each period will be based upon the market value of the clients' assets on the last business day of that period.

From time to time, advisory clients have pre-existing investments that they do not want actively managed by FCM. These clients may request that FCM incorporate these holdings into a single account to facilitate future management and reporting. These assets will not be actively managed by FCM. These unsupervised assets will not be included in FCM's calculation of advisory fees or performance; however, once the client instructs that these unsupervised assets be sold and re-invested by FCM they will be reclassified as managed assets and fees will be charged in accordance with FCM's fee schedule in effect at that time.

Negotiability of Advisory Fees and Account Requirements: In certain circumstances, FCM's fees and account minimums are negotiable.

Fee Calculation: FCM charges a maximum investment management fee of 2.50% of assets under management. The amount of fee charged by FCM is based on the amount of assets placed under FCM's direct management, the amount of assets placed under FCM's advisement, the complexity of the engagement, and the level and scope of the overall investment services to be rendered. FCM's annual investment advisory fee includes investment advisory services, and, to the extent specifically requested by the client, financial planning and consulting services. In the event that the client requires extraordinary planning and/or consulting services and FCM determines in its sole discretion to provide such services, FCM may impose a separate charge for such additional services. The amount of any such charge will be set forth in a written notice to the client.

FCM in its sole discretion may charge a reduced investment advisory fee and/or require an annual minimum fee or asset level in some circumstances. For example, FCM may charge reduced fees or require a reduced asset level in cases of anticipated changes in earning capacity, the addition of substantial assets to a client's account, substantial increases in the dollar amount of assets of the client to be managed by FCM, the opening by the client of additional accounts, certain changes in a client's account composition and individual negotiations with the client.

Termination of Advisory Relationship: A client agreement may be cancelled by written notice at any time, by either party (including an unaffiliated financial adviser who is authorized by the client to act on their instructions or on their behalf), for any reason. Upon termination of any account, any prepaid, unearned fees will be refunded, and any earned, unpaid fees will be due and payable.

Fees and Expenses by Third-Parties: All fees paid to FCM for investment advisory services are separate and distinct from certain charges imposed directly by third-parties such as custodians, mutual funds and ETFs. Such charges include, but are not limited to custodial fees, charges imposed directly by a mutual fund or exchange traded fund in the account, which shall be disclosed in the fund's prospectus (e.g., fund management fees and other fund expenses), deferred sales charges, short-term redemption fees, odd-lot differentials, transfer taxes, wire transfer and electronic fund fees, and other fees and taxes on brokerage accounts and securities transactions. Additionally, clients may incur brokerage commissions and transaction fees. Please see Item 12-Brokerage Practices for more information.

Unless the client directs otherwise, or an individual client's circumstances require, FCM shall generally recommend that E*TRADE Advisor Services (E*TRADE) (formerly known as TCA by E*TRADE) serve as the custodian for client investments management assets. E*TRADE Advisor Services trades primarily through its affiliated broker-dealer E*TRADE Securities LLC (E*TRADE). Broker-dealers such as E*TRADE charge brokerage commissions and/or transaction fees for effecting certain securities transactions and

other fees for certain services. At this time, E-Trade does not charge commissions for equity or fixed income transactions in brokerage accounts; however, clients may be charged transaction fees for certain mutual fund purchases. Please see Item 12 – Brokerage Practices for more information.

A client could invest in a mutual fund or purchase shares in an ETF directly, without the services of FCM. In that case, the client would not receive the services provided by FCM which are designed, among other things, to assist the client in determining which mutual funds or ETFs are most appropriate to each such client's financial condition and objectives.

Accordingly, the client should review both the fees charged by the funds and the fees charged by FCM to fully understand the total amount of fees to be paid by the client and to thereby evaluate the advisory services being provided.

Advisory Fees in General: Clients should note that similar advisory services may (or may not) be available from other registered investment advisers for similar or lower fees.

Item 6 Performance-Based Fees and Side-By-Side Management

Neither FCM nor any supervised person of FCM accepts performance-based fees (fees based on a share of capital gains or capital appreciation in client accounts).

Item 7 Types of Clients

FCM provides advisory services, where appropriate, to individuals, high net worth individuals, pension plans (including 401(k) plans), profit-sharing plans, trust estates, charitable organizations and corporations. FCM requires minimum investment assets of \$75,000; however, certain investment strategies require a higher minimum. FCM may waive this minimum at its discretion.

Item 8 Methods of Analysis, Investment Strategies and Risk of Loss

FCM employs a global tactical asset allocation investment strategy. Primary asset classes are global developed markets, emerging markets including Asia, global hard assets (primarily commodities producers and physical commodities) and global fixed income. Varying combinations of these asset classes are available to suit a range of investors risk/return profiles. All investment strategies are based on investment in equity and/or fixed income securities that can result in losses to investors.

FCM employs analytical processes designed to identify “persistent trends” in the various asset classes listed above. FCM’s objective is to provide reasonable investment participation when the trends are upward and avoid prolonged participation when the trends are downward. This so called “trend following” involves the analysis of market data. The analysis does not produce results that are 100% reliable. In cases where the analysis produces results that are not correct, investors may suffer market losses or fail to capture market gains.

FCM utilizes a three step investment process. Each step is based on the analysis of large quantities of market data and accordingly, includes the risks associated with such analysis producing results measured in terms of probability rather than certainty.

Step one is the identification of “persistent trends” in the various asset classes that FCM utilizes in its investment strategies. The objective is to provide reasonable investment participation when the trends are upward and avoid prolonged participation when the trends are downward. This so called “trend following” involves the analysis of market data. The analysis does not produce results that are 100% reliable.

Step two is a series of rules that define how each of FCM’s strategies gain the exposure necessary to comply with their investment objectives. Rules governing items such as diversification, asset mix and number of holdings are designed to help the strategies meet their investment objectives but also contain inherent risks.

Step three is securities selection. The asset mix is determined by the analysis of historical market data. Investors face the risk of unpredictability if the future performance patterns are different than the historical patterns.

Number of holdings represents a ‘cost risk’ to investors. If FCM determines that one or more of the strategies will be better served by an increase in the number of holdings, investors will experience increased costs associated with the increased number of transactions. FCM cannot assure investors that the presumed investment benefit will outweigh the increased transactional costs.

Investors are subject to similar transactional risk if FCM’s investment process dictates frequent trading. Every trade has a cost. That cost has a negative impact on the performance of the investment strategy. FCM cannot assure investors that the presumed benefit of the investment decision will outweigh the increased transactional costs.

Investing in securities involves risk of loss that clients should be prepared to bear.

Investment Risk. As a general matter, investing in securities involves a risk of loss of principal that investors should be prepared to bear. Different types of investments involve varying degrees of risk, and it should not be assumed that future performance of any specific investment or investment strategy (including the investments and/or investment strategies recommended or undertaken by FCM) will be profitable or equal any specific performance levels.

Every method of analysis has its own inherent risks. To perform an accurate market analysis FCM must have access to current/new market information. FCM has no control over the dissemination rate of market information; therefore, unbeknownst to FCM, certain analyses may be compiled with outdated market information, severely limiting the value of FCM’s analysis. Furthermore, an accurate market analysis can only produce a forecast of the direction of market values. There can be no assurances that a forecasted change in market values will materialize into actionable and/or profitable investment opportunities.

Inverse/Enhanced Market Strategies. FCM may utilize long and short mutual funds and/or ETFs that are designed to perform in either an: (1) inverse relationship to certain market indices (at a rate of 1 or more times the inverse [opposite] result of the corresponding index) as an investment strategy and/or for the purpose of hedging against downside market risk; and (2) enhanced relationship to certain market indices (at a rate of 1 or more times the actual result of the corresponding index) as an investment strategy and/or for the purpose of increasing gains in an advancing market. There can be no assurance that any such strategy will prove profitable or successful. In light of these enhanced risks/rewards, a client may direct FCM, in writing, not to employ any or all such strategies for his/her/their/its accounts.

Allocation Risks. Investment performance will depend largely on the Adviser's decisions as to strategic asset allocation and tactical adjustments made to the asset allocation. At times, the Adviser's judgments as to the asset classes in which Clients should invest may prove to be wrong, as some asset classes may perform worse than others or the equity markets generally from time to time or for extended periods of time.

ETFs. An investment in an ETF involves risk, including the loss of principal. ETF shareholders are necessarily subject to the risks stemming from the individual issuers of the fund's underlying portfolio securities. Such shareholders are also liable for taxes on any fund-level capital gains, as ETFs are required by law to distribute capital gains in the event they sell securities for a profit that cannot be offset by a corresponding loss. Shares of ETFs are listed on securities exchanges and transacted at negotiated prices in the secondary market. Generally, ETF shares trade at or near their most recent NAV, which is generally calculated at least once daily for indexed based ETFs and potentially more frequently for actively managed ETFs. However, certain inefficiencies may cause the shares to trade at a premium or discount to their pro rata NAV. There is also no guarantee that an active secondary market for such shares will develop or continue to exist. Generally, an ETF only redeems shares when aggregated as creation units (usually 20,000 shares or more). Therefore, if a liquid secondary market ceases to exist for shares of a particular ETF, a shareholder may have no way to dispose of such shares.

Equity Securities. The value of the equity securities held may increase or decrease due to earnings of the company, general market and economic conditions, perceptions regarding the industries in which the issuers of securities held participate or factors relating to specific companies in which Advisory Partners invests. The value of a company's share price may decline as a result of poor decisions made by management, lower demand for the company's services or products or if the company's revenues fall short of expectations.

Large-Capitalization Company Securities. Larger, more established companies may be unable to attain the high growth rates of successful, smaller companies during periods of economic expansion.

Item 9 Disciplinary Information

Registered investment advisers are required to disclose all material facts regarding any legal or disciplinary events that would be material to your evaluation of FCM or the integrity of FCM's management. On April 19, 2013, relating to an administrative proceeding (File No. 3-15293), Foxhall Capital Management and Paul Dietrich ("Respondents") submitted Offers of Settlement which the Securities and Exchange Commission has accepted. Without admitting or denying the findings, Respondents agreed to certain remedial sanctions. The commission found that between January 1, 2007 and September 3, 2009, Foxhall Capital Management, Inc. ("Foxhall"), a registered investment adviser, failed to adopt and implement written compliance policies and procedures reasonably designed to prevent violations of the Advisers Act and its rules, as required by Section 206(4) of the Advisers Act and Rule 206(4)-7 thereunder. Foxhall also failed to keep complete and accurate records as required by Section 204 of the Advisers Act.

Foxhall's trade management system did not interface properly with its primary broker-dealer and custodian's trading platform which caused Foxhall to not always have the most up-to-date information about its client account balances. As a result certain trades were allocated improperly. Foxhall failed to maintain adequate trading records and failed to conduct a timely annual compliance review in 2007. The settlement included the following remedial sanctions. Foxhall and Dietrich shall pay civil payments and disgorgement in excess of \$2,500. More information about this proceeding can be found on ADV Part 1A and on the SEC website, <http://www.sec.gov/litigation/admin.shtml>.

Item 10 Other Financial Industry Activities and Affiliations

Mr. Dietrich is the Chief Investment Officer and Chief Compliance Officer for Fairfax Global Markets. Fairfax Global Markets provides sub-advisory services to FCM. Under these sub-advisory agreements, Fairfax Capital Markets receives fees for its advisory service.

Fairfax Global Markets, LLC and Foxhall Capital Management, Inc. are related entities due to the fact that Mr. Dietrich maintains a controlling interest in both organizations. All Foxhall Capital Management, Inc. client assets are managed on a sub-advisory basis by Mr. Dietrich acting as an Investment Advisor Representative of Fairfax Global Markets, LLC.

Mr. Dietrich serves as the Chief Investment Strategist and is an investment advisory representative of B. Riley Wealth Management, Inc. ("B. Riley"), an SEC registered investment adviser. Providing investment advisory services in this dual capacity creates a conflict of interest.

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

FCM, in accordance with the requirements of Rule 204A-1 of the Investment Advisers Act of 1940 (the "Advisers Act"), has approved and adopted a Code of Ethics (the "Code"). The Code sets forth the general fiduciary principles and standards of business conduct to

which all of FCM's employees and certain other persons are subject. The Code further sets forth policies and procedures that are reasonably designed to prevent Access Persons, from engaging in conduct prohibited by the Advisers Act and establishes reporting requirements for these Access Persons. In general, Access Persons are defined by the Code to include every FCM employee and others who, in connection with his or her regular functions or duties or otherwise, makes, participates in or obtains information regarding the purchase or sale of a security (other than certain "exempted" securities) for any client, or has access to nonpublic information about the portfolio holdings of any client, or whose functions relate to the making of any recommendations with respect to purchases and sales, and officers of FCM or FCM's parent company.

The Code sets forth FCM's policy to act in the best interest of its clients and on the principles of full disclosure, good faith and fair dealing. FCM and its employees must seek to avoid situations which may result in potential or actual conflicts of interest with these duties. In addition, the Code requires employees to (i) comply with applicable federal securities laws at all times, (ii) avoid establishing financial interests or outside affiliations which may create a conflict, or appear to create a conflict, between the employee's personal interests and the interests of FCM or its clients, (iii) conduct themselves at all times in a manner consistent with the highest professional standards, (iv) devote his or her attention and skills to the performance of his or her responsibilities and avoid activities that interfere with that responsibility or that are detrimental to FCM and its reputation.

FCM or representatives of FCM are permitted to buy or sell securities that are also recommended to clients. This practice may create a situation where FCM and/or representatives of the firm are in a position to materially benefit from the sale or purchase of those securities. Therefore, this situation creates a potential conflict of interest.

FCM has a personal securities transaction policy in place to monitor the personal securities transactions and securities holdings of each of FCM's Access Persons. FCM's securities policy requires that each Access Person of FCM must provide the Chief Compliance Officer or his designee with a written report of their current securities holdings within ten (10) days after becoming an Access Person. Additionally, each Access Person must provide the Chief Compliance Officer or his designee with a written report of the Access Person's current securities holdings at least once each twelve (12) month period thereafter on a date FCM selects. Access Persons are also required to submit periodic reports regarding their personal securities transactions and holdings and to have duplicate statements and trade confirmations sent to FCM for all brokerage accounts in which they have a beneficial ownership interest. Provided, however that at any time that FCM has only one Access Person, he or she shall not be required to submit any securities report as described above.

FCM will provide a copy of the Code to any client or prospective client, upon request. Please contact FCM at 800-416-2053 for a copy of the Code.

Item 12 Brokerage Practices

It is FCM's policy to not enter into any soft dollar agreements with broker-dealers. FCM does not currently have any soft dollar arrangements with any broker-dealers and will not enter into any such arrangements in the future, unless it changes its policies regarding the use of soft-dollar arrangements.

Prior to engaging FCM to provide investment management services, the clients have been required to enter into an Investment Advisory Agreement with FCM setting forth the terms and conditions under which FCM shall manage the client's assets, and a separate custodial clearing agreement with each designated broker-dealer custodian.

In the event the client requests that FCM recommend a broker-dealer/custodian for execution and/or custodial services (exclusive of those clients that may direct FCM to use a specific broker-dealer/custodian), FCM generally recommends that the investment management accounts be maintained at E*TRADE Advisor Services, which trades through its affiliate E*TRADE Securities LLC (E*TRADE).

Factors that FCM considers in recommending E*TRADE (or any other broker-dealer/custodian) to clients include financial strength, reputation, execution capabilities, pricing, research and service. Although the commissions and/or transaction fees paid by FCM's clients shall comply with FCM's duty to obtain best execution, a client may pay a commission that is higher than another qualified broker-dealer might charge to effect the same transaction. FCM has determined in good faith that the commission/transaction fee 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 broker-dealer services, including the value of research provided, execution capability, commission rates and responsiveness. Accordingly, although FCM will seek competitive rates, it may not necessarily obtain the lowest possible commission rates for client transactions. The brokerage commissions or transaction fees charged by the designated broker-dealer/custodian are exclusive of, and in addition to, FCM's investment management fee. FCM's best execution responsibility is qualified if securities that it purchases for client accounts are mutual funds that trade at net asset value as determined at the daily market close.

If a client directs FCM to use a specific broker, FCM has not negotiated the terms and conditions (including, among others, commission rates) relating to the services provided by such broker. FCM is not responsible for obtaining from any such broker the best prices or particular commission rates. A client that directs FCM to use a specific broker may not be able to participate in aggregate securities transactions and may trade after such aggregate transactions and receive less favorable pricing and execution. The client may pay higher commissions and mark-ups than it would pay if FCM had discretion to select broker-dealers other than those that the client chooses.

FCM endeavors at all times to put the interests of its clients first. Clients should be aware, however, that the receipt of benefits described above by FCM in and of itself

creates a conflict of interest and may influence FCM's choices for investments, custody and brokerage services.

Trade Aggregation/Allocation

Whenever feasible, FCM will combine the orders of two or more clients to purchase or sell the same security. Orders of two or more clients will only be aggregated if FCM determines, on an individual client basis that the securities order is (i) in the best interests of each client participating in the order, (ii) consistent with FCM's duty to obtain best execution, and (iii) consistent with the terms of the investment advisory agreement of each participating client. All clients included in an aggregated order will be treated equitably, including in the event that such aggregated order is not completely filled. The terms negotiated for the aggregated order will apply equally to each participating account. If an employee trade or trade by an affiliated account is aggregated with a client trade, such client trade will be treated equally with the employee and/or affiliated account trade, each affiliated and non-affiliated participant in the trade will receive average execution and average commissions; and the securities purchased or sold will be allocated pro rata among all participating accounts. For example, Client X is a buyer of 200 shares and Client Y is a buyer of 100 shares and the investment adviser is only able to acquire 150 shares. Client X receives 100 shares and Client Y receives 50 shares.

Exceptions to Pro Rata Allocation

Partial Fills

If FCM is not able to completely fill an aggregated order for a security, the completed orders are generally allocated pro rata based on the order size set forth on the pre- allocation.

Random Allocations

In cases where client accounts would receive less than the desirable number of shares as judged by FCM, the aggregated trade may be allocated by FCM to client accounts on a random basis. FCM shall use a computer software program or other fair system to allocate such trades on a random basis. Client accounts that receive random allocations generally will not be eligible for the next random allocation.

Allocation Adjustments

In cases where FCM is unable to allocate security orders as intended within the pre- allocation evidenced on the Trade Ticket due to unforeseeable events, including, but not limited to account closings, client withdrawals, quickly moving market conditions which would cause intended allocations to cause accounts to become overdrawn, FCM may make adjustments to its pre-allocation as follows:

- Newly funded accounts or those with recent contributions may receive an additional allocation;

- Accounts in need of rebalancing;
- Any adjustments to pre-allocations on an account by account basis, provided that security-level percentages remain within the tolerance levels set out from time-to-time by the Investment Committee;
- In selling situations, late day withdrawal and liquidation requests.

In all instances of allocation adjustments, the reasons therefore will be documented.

Item 13 Review of Accounts

For those clients to whom FCM provides investment supervisory services, account reviews are conducted on an ongoing basis by FCM's Chief Investment Officer. All investment supervisory clients are advised that it remains their responsibility to advise FCM of any changes in their investment objectives and/or financial situation. All clients (in person or via telephone) are encouraged to review financial planning issues (to the extent applicable), investment objectives and account performance with FCM on an annual basis.

FCM may conduct account reviews on an other than periodic basis upon the occurrence of a triggering event, such as a change in client investment objectives and/or financial situation, market corrections and client request.

Clients are provided, at least quarterly, with written transaction confirmation notices and account statements directly from the Qualified Custodian for each client's accounts. FCM may also provide a written periodic report summarizing account activity and performance.

Item 14 Client Referrals and Other Compensation

If a client is introduced to FCM by a solicitor, FCM will generally pay that solicitor a referral fee in accordance with the requirements of Rule 206(4)-3 of the Investment Advisers Act of 1940, and any corresponding state securities law requirements. Any such referral fee shall be paid solely from FCM's investment advisory fee, and shall not result in any additional charge to the client. The solicitor, at the time of the solicitation, shall disclose the nature of his/her/its solicitor relationship, and shall provide each prospective client with a copy of FCM's Brochure and a copy of the written disclosure statement from the solicitor to the client disclosing the terms of the solicitation arrangement between FCM and the solicitor, including the compensation to be received by the solicitor.

Item 15 Custody

FCM has the ability to have its investment advisory fee debited by the custodian directly from client accounts. Clients are provided, at least quarterly, with written transaction confirmation notices and account statements directly from the Qualified Custodian for each client's accounts. Clients should carefully review these statements.

Clients who have their investment advisory fees directly debited from their custodian accounts are urged to compare any written statement provided by FCM with the account statements received from the account custodian to ensure that the proper investment advisory fee has been deducted from their custodial account. The account custodian does not verify the accuracy of the investment advisory fee calculation so it is important that the client review amounts deducted from accounts maintained at the account custodian.

Item 16 Investment Discretion

Clients can engage FCM to provide investment advisory services on a discretionary basis. Prior to FCM assuming discretionary authority over a client's account, the client shall be required to execute the investment advisory agreement, naming FCM as client's attorney and agent in fact, granting FCM full authority to buy, sell or otherwise effect investment transactions involving the assets in the client's name or found in the discretionary account.

Clients who engage FCM on a discretionary basis may, at any time, impose restrictions, in writing, on FCM's discretionary authority (e.g., limit the types/amounts of particular securities purchased for their account, exclude the ability to purchase securities with an inverse relationship to the market, limit or proscribe FCM's use of margin).

Item 17 Voting Client Securities

FCM does not vote client proxies. The obligation to vote proxies and class actions shall at all times rest with you. FCM shall not be deemed to have voting authority solely as a result of providing investment management services to you. You will receive your proxies or other solicitations directly from your custodian or transfer agent. Should FCM inadvertently receive proxy or class action information for a security held in your account, FCM will make a best efforts attempt to forward such information on to you, but will not take any further action with respect to the voting of such proxy or class action. Upon termination of your Agreement with us, we will continue to make a good faith and reasonable attempt to forward to you any proxy or class action information we may inadvertently receive. The issuing company is generally the best source for any questions you may have about voting proxies, but you may always contact us with any questions and we will make a good faith effort to get you in contact with the appropriate resources.

Item 18 Financial Information

On May 28, 2014, with the consent of Waterside Capital Corporation ("Waterside"), the United States District Court for the Eastern District of Virginia entered a Consent Order appointing the Small Business Administration receiver of Waterside. This Order has not affected FCM's the ability to provide investment management services to clients.

FCM has not been the subject of a bankruptcy petition.