

Form ADV Part 2A – Firm Brochure

ITEM 1. COVER PAGE

Compton Capital Management, Inc.

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March 23, 2020

THIS BROCHURE PROVIDES INFORMATION ABOUT THE QUALIFICATIONS AND BUSINESS PRACTICES OF **COMPTON CAPITAL MANAGEMENT, INC.**. IF YOU HAVE ANY QUESTIONS ABOUT THE CONTENTS OF THIS BROCHURE, PLEASE CONTACT US AT (401) 453-4040 OR SPC@COMPTONCAPITAL.COM. THE INFORMATION IN THIS BROCHURE HAS NOT BEEN APPROVED OR VERIFIED BY THE UNITED STATES SECURITIES AND EXCHANGE COMMISSION (hereinafter the “SEC”) OR BY ANY STATE SECURITIES AUTHORITY.

COMPTON CAPITAL MANAGEMENT, INC. IS A REGISTERED INVESTMENT ADVISER. REGISTRATION OF AN INVESTMENT ADVISER DOES NOT IMPLY ANY LEVEL OF SKILL OR TRAINING. THE ORAL AND WRITTEN COMMUNICATIONS OF AN ADVISER PROVIDE YOU WITH INFORMATION ABOUT WHICH YOU DETERMINE TO HIRE OR RETAIN AN ADVISER. ADDITIONAL INFORMATION ABOUT US IS AVAILABLE ON THE SEC’S WEBSITE AT WWW.ADVISERINFO.SEC.GOV. YOU CAN SEARCH THE WEBSITE WITH A UNIQUE IDENTIFYING NUMBER, KNOWN AS A CRD NUMBER. OUR FIRM’S CRD NUMBER IS 107002.

ITEM 2. MATERIAL CHANGES

This section of Compton Capital Management, Inc.'s (hereinafter referred to as "Compton," the "Adviser" or the "Firm") disclosure brochure discusses only those material changes made since the firm's last amended disclosure brochure dated March 23, 2020. There have been no material changes since Compton's last annual update. However, other non-material changes have been made to this brochure and consequently, we advise you to read this brochure in its entirety.

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ITEM 4. ADVISORY BUSINESS

A. Description of Advisory Firm

Compton is an SEC-registered investment adviser, with its principal place of business located in Providence, Rhode Island. The Firm was incorporated on January 8, 1988 and began conducting business as a registered investment adviser in 1991. Compton is wholly owned by George F. Kilborn.

B. Types of Advisory Services

At Compton, advisory services are tailored to the individual needs of clients. Goals and objectives are clarified in meetings and correspondence, and are used to determine the course of action for each individual client. Through discussions with the client or a client representative, in which goals and objectives based upon a client's particular circumstances are established, we develop a client's investment policy and create and manage a portfolio based on that policy. During our data-gathering process, we determine the client's objectives, time horizons, risk tolerance and liquidity needs. We also review and discuss a client's prior investment history, as well as family composition and background, as appropriate.

Compton offers investment management services on both a discretionary and non-discretionary basis, as agreed to with the client. We primarily manage portfolios for individuals, high net worth individuals, pension and profit sharing plans (but not the plan participants), charitable organizations, and corporations. Account supervision is guided by the client's stated objectives (e.g., growth, income, growth and income, capital preservation), as well as tax considerations.

Clients may impose reasonable restrictions on investing in certain securities, types of securities, or industry sectors. These restrictions or limitations, along with additional details regarding services, fees, investor suitability standards and other specific terms applicable to clients, are set forth in the investment management agreement between the client and Compton. Our investment recommendations are not limited to any specific type of investment and may generally include advice regarding the following securities:

- Exchange-listed securities
- Securities traded over-the-counter
- Foreign issuers
- Warrants
- Corporate debt securities (other than commercial paper)
- Commercial paper
- Certificates of deposit
- Municipal securities
- Mutual fund shares
- United States Governmental Securities
- Options contracts on securities

Because some types of investments involve certain additional degrees of risk, they will only be implemented or recommended when consistent with the client's stated investment objectives, tolerance for risk, liquidity and suitability.

C. Amount of Managed Assets

As of December 31, 2019, Compton managed \$359 million, of client assets on a discretionary basis and \$15 million of client assets on a non-discretionary basis. The total of managed assets on December 31, 2019 was \$374 million.

ITEM 5. FEES AND COMPENSATION

The specific manner in which fees are charged by Compton is established in each client's written Investment Advisory Agreement (the "Agreement") with the Firm. Generally, annual fees for investment advisory services are based upon a percentage of assets under management. For a small number of clients, however, we charge a fixed fee.

The annualized advisory fees are charged as a percentage of assets under management, according to the following schedule:

<u>Assets under Management</u>	<u>Annual Fee</u>
\$0 - \$2,000,000	1.00%
\$2,000,001 - Greater	Negotiable

Compton computes and bills its fees quarterly in arrears based on the fair market value of the assets under management at the quarter end date. Fees will be debited from the account in accordance with the client authorization in the Agreement and as authorized by the client in writing with the account custodian or broker-dealer. Clients may elect to pay their fees directly. Accounts initiated or terminated during a calendar quarter will be charged a prorated fee. The client will be responsible for all other expenses such as brokerage and custodian fees.

Limited Negotiability of Advisory Fees: Although Compton has established the aforementioned fee schedule, we retain the discretion to negotiate alternative fees on a client-by-client basis. Client facts, circumstances and needs will be considered in determining the fee schedule. These include, among other things, the complexity of the client mandate, assets to be placed under management, anticipated future additional assets, related accounts, account composition and reports.

We may group certain related client accounts for the purposes of achieving the minimum account size requirements and determining the annualized fee.

Termination of the Advisory Relationship: The client may terminate the Agreement within five (5) days of the effective date. Thereafter, a client Agreement may be canceled at any time, by either party, for any reason upon receipt of thirty (30) day's written notice, provided that the client honors any trade placed, but not settled, before the termination date.

Mutual Fund Fees: All fees paid to Compton for investment advisory services are separate and distinct from the fees and expenses charged by mutual funds and/or exchange traded funds to their shareholders. These fees and expenses are described in each fund's prospectus. These fees may generally include a management fee, other fund expenses, and a possible distribution fee. A client could invest in a mutual fund directly, without our services. In that case, the client would not receive the services provided by our firm which are designed, among other things, to assist the client in determining which mutual fund or funds are most appropriate to each client's financial condition and objectives. Accordingly, the client should review both the

fees charged by the funds and Compton's fees to fully understand the total amount of fees to be paid by the client and to thereby evaluate the advisory services being provided. Our firm seeks to purchase mutual funds for client accounts when we believe the mutual fund meets a client's specific goal.

Additional Fees and Expenses: In addition to our advisory fees, clients are also responsible for the fees and expenses charged by custodians and imposed by broker-dealers, including, but not limited to, any transaction charges imposed by a broker-dealer with which an independent investment manager effects transactions for the client's account(s). Please refer to "Brokerage Practices" (Item 12) of this Form ADV Part 2A for additional information.

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

ITEM 6. PERFORMANCE-BASED FEES AND SIDE-BY-SIDE MANAGEMENT

Compton does not enter into performance-based fee arrangements with clients.

ITEM 7. TYPES OF CLIENTS

Compton provides advisory services to the following types of clients:

- Individuals (other than "High Net Worth Individuals");
- High Net Worth Individuals;
- Pension and profit sharing plans (other than plan participants);
- Charitable or Tax-free entities; and
- Corporations.

All clients are required to sign an investment management agreement that explains the arrangement between Compton and the client. The agreement describes investment objectives, guidelines and fees.

Compton does not have a monetary prerequisite for opening an account, nor are there any requirements for maintaining said account.

ITEM 8. METHODS OF ANALYSIS, INVESTMENT STRATEGIES AND RISK OF LOSS

A. Methods of Analysis

We use the following methods of analysis in formulating our investment advice and/or managing client assets:

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

Fundamental Analysis. We attempt to measure the intrinsic value of a security by looking at economic and financial factors (including the overall economy, industry conditions, and the financial condition and management of the company itself) to determine if the company is underpriced (indicating it may be a good time to buy) or overpriced (indicating it may be time to sell).

Fundamental analysis does not attempt to anticipate market movements. This presents a potential risk, as

the price of a security can move up or down along with the overall market regardless of the economic and financial factors considered in evaluating the security.

Technical Analysis. We analyze past market movements and apply that analysis to the present, in an attempt to recognize recurring patterns of investor behavior and potentially predict future price movement.

Technical analysis does not consider the underlying financial condition of a company. This presents a risk in that a poorly-managed or financially unsound company may underperform regardless of market movement.

Risks for all forms of analysis. Our securities analysis methods rely on the assumption that the companies whose securities we purchase and sell, the rating agencies that review these securities and other publicly-available sources of information about these securities, are providing accurate and unbiased data. While we are alert to indications that data may be incorrect, there is always a risk that our analysis may be compromised by inaccurate or misleading information.

B. Investment Strategies

We use the following strategies when managing client accounts, provided that such strategies are appropriate to the needs of the client and consistent with, among other considerations, the client's investment objectives, risk tolerance, and time horizons:

Long-term purchases. With this strategy, we purchase securities with the idea of holding them in the client's account for a year or longer. Typically, we employ this strategy when:

- we believe the securities to be currently undervalued and/or
- we want exposure to a particular asset class over time, regardless of the current projection for this class.

A risk in a long-term purchase strategy is that, by holding the security for this length of time, we may not take advantages of short-term gains that could be profitable to a client. Moreover, if our predictions are incorrect, a security may decline in value before we make the decision to sell.

Short-term purchases. When utilizing this strategy, we purchase securities with the idea of selling them within a relatively short time (typically a year or less). We do this in an attempt to take advantage of conditions that we believe may soon result in a price swing in the securities we purchase.

Trading. We purchase securities with the idea of selling them very quickly (typically within 30 days or less). We do this in an attempt to take advantage of our predictions of brief price swings.

C. Risk of Loss

All investing and trading activities risk the loss of capital. Although we will attempt to moderate these risks, no assurance can be given that the investment activities of an account we advise will achieve the investment objectives of such account or avoid losses. Direct and indirect investing in securities involves risk of loss that you should be prepared to bear. We do not represent or guarantee that our services or methods of analysis can or will predict future results, successfully identify market tops or bottoms, or insulate you from losses due to market corrections or declines. We cannot offer any guarantees or promises that your financial goals and objectives will be met. Past performance is in no way an indication of future performance. It is important that you understand the risks associated with investing in the types of investments listed above.

Except as may otherwise be provided by law, we are not liable to clients for:

- Any loss that you may suffer by reason of any investment decision made or other action taken or omitted by us in good faith;
- Any loss arising from our adherence to your instructions or the disregard of our

recommendations made to you; or
Any act or failure to act by a custodian or other third party to your account.

The information included in this brochure does not include every potential risk associated with an investment strategy, technique or type of security applicable to a particular client account. You are encouraged to ask questions regarding risks applicable to a particular strategy or investment product, and read all product-specific risk disclosures.

It is your responsibility to give us complete information and to notify us of any changes in financial circumstances or goals.

D. Description of Material, Significant or Unusual Risks

We generally invest clients' cash balances in money market funds, FDIC insured certificates of deposit, high-grade commercial paper and/or government backed debt instruments. Ultimately, we try to achieve the highest return on our clients' cash balances through relatively low-risk conservative investments. In most cases, at least a partial cash balance will be maintained in a money market account so that our Firm may debit fees for our services as previously outlined.

There are certain additional risks associated when investing in securities; including, but not limited to:

- Market Risk: Either the stock market as a whole, or the value of an individual company, goes down resulting in a decrease in the value of client investments. This is also referred to as systemic risk.
- Y Legal and Regulatory Risks: The regulation of the U.S. and non-U.S. securities and futures markets investment funds has undergone substantial change in recent years and such change may continue. In particular, there have been numerous proposals, including bills that have been introduced in the U.S. Congress, for substantial revisions to the regulation of financial institutions generally. Further, the practice of short selling has been the subject of numerous temporary restrictions, and similar restrictions may be promulgated at any time. Such restrictions may adversely affect the returns of Underlying Investment Funds that utilize short selling. The effect of such regulatory change on the accounts and/or the underlying investment funds, while impossible to predict, could be substantial and adverse to clients' interests.
- Y Inflation Risk: The Firm's portfolios face inflation risk, which results from the variation in the value of cash flows from a financial instrument due to inflation, as measured in terms of purchasing power.
- Market or Interest Rate Risk: The price of most fixed income securities move in the opposite direction of the change in interest rates. For example, as interest rates rise, the prices of fixed income securities fall. If the Firm holds a fixed income security to maturity, the change in its price before maturity may have little impact on the Firm portfolios' performance. However, if the Firm determines to sell the fixed income security before the maturity date, an increase in interest rates could result in a loss.
- Y Market Volatility: The profitability of the Firm portfolios substantially depends upon the Firm correctly assessing the future price movements of stocks, bonds, options on stocks, and other securities and the movements of interest rates. The Firm cannot guarantee that it will be successful in accurately predicting price and interest rate movements.

- Material Non-Public Information: By reason of their responsibilities in connection with other activities of the Firm and/or its principals or employees, certain principals or employees of the Firm and/or its affiliates may acquire confidential or material non-public information or be restricted from initiating transactions in certain securities. The Firm is not permitted to act upon any such information. Due to these restrictions, the Firm may not be able to initiate a transaction that it otherwise might have initiated and may not be able to sell an investment that it otherwise might have sold.

- Y Accuracy of Public Information: The Firm selects investments, in part, on the basis of information and data filed by issuers with various government regulators or made directly available to the Firm by the issuers or through sources other than the issuers. Although the Firm evaluates all such information and data and sometimes seeks independent corroboration when it's considered appropriate and reasonably available, the Firm is not in a position to confirm the completeness, genuineness, or accuracy of such information and data. In some cases, complete and accurate information is not available.

- Y Trading Limitations: For all securities, instruments and/or assets listed on an exchange, including options listed on a public exchange, the exchange generally has the right to suspend or limit trading under certain circumstances. Such suspensions or limits could render certain strategies difficult to complete or continue and subject the account to loss. Also, such a suspension could render it impossible for the Firm to liquidate positions and thereby expose client accounts to potential losses.

- Y Recommendation of Particular Types of Securities: In some cases, the Firm recommends mutual funds. There are several risks involved with these funds. These funds have portfolio managers that trade the fund's investments in agreement with the fund's objective and in line with the fund prospectus. While these investments generally provide diversification there are some risks involved especially if the fund is concentrated in a particular sector of the market, uses leverage, or concentrates in a certain type of security (i.e., foreign equities). The returns on mutual funds can be reduced by the costs to manage the funds. And the shares rise and fall in value according to the supply and demand. Open end funds may have a diluted effect on other investors' interest due to the structure of the fund while closed end funds have limited shares which rise and fall in value according to supply and demand in the market. In addition, closed end funds are priced daily and as a result they may trade differently than the daily net asset value ("NAV").

- Firm's Investment Activities: The Firm's investment activities involve a significant degree of risk. The performance of any investment is subject to numerous factors which are neither within the control of nor predictable by the Firm. Such factors include a wide range of economic, political, competitive and other conditions (including acts of terrorism and war) that may affect investments in general or specific industries or companies. The markets may be volatile, which may adversely affect the ability of the Firm to realize profits on behalf of its clients. As a result of the nature of the Firm's investing activities, it is possible that the Firm's results may fluctuate substantially from period to period.

- Equity (stock) Market Risk: Common stocks are susceptible to general stock market fluctuations and to volatile increases and decreases in value as market confidence in and

perceptions of their issuers change. If you hold common stock, or common stock equivalents, of any given issuer, you are generally exposed to greater risk than if you hold preferred stocks and debt obligations of the issuer.

- Company Risk: When investing in stock positions, there is always a certain level of company or industry specific risk that is inherent in each investment. This is also referred to as unsystematic risk and can be reduced through appropriate diversification. There is the risk that the company will perform poorly or have its value reduced based on factors specific to the company or its industry. For example, if a company's employees go on strike or the company receives unfavorable media attention for its actions, the value of the company may be reduced.
- Risks Associated with Fixed Income: When investing in fixed income instruments such as bonds or notes, the issuer may default on the bond and be unable to make payments. Further, interest rates may increase and the principal value of your investment may decrease. Individuals who depend on set amounts of periodically paid income face the risk that inflation will erode their spending power.
- ETF and Mutual Fund Risk: When investing in an exchange trade fund ("ETF") or mutual fund, a client will bear additional expenses based on the client's pro rata share of the ETF's or mutual fund's operating expenses, including the potential duplication of management fees. The risk of owning an ETF or mutual fund generally reflects the risks of owning the underlying securities the ETF or mutual fund holds. Clients will also incur brokerage costs when purchasing ETFs.
- Options Risk: Options on securities may be subject to greater fluctuations in value than an investment in the underlying securities. Purchasing and writing put and call options are highly specialized activities and entail greater than ordinary investment risks.
- Liquidity Risk: Certain assets may not be readily converted into cash or may have a very limited market in which they trade. Thus, you may experience the risk that your investment or assets within your investment may not be able to be liquidated quickly, thus, extending the period of time by which you may receive the proceeds from your investment. Liquidity risk can also result in unfavorable pricing when exiting (i.e., not being able to quickly get out of an investment before the price drops significantly) a particular investment and therefore, can have a negative impact on investment returns.
- Management Risk: Your investments will vary with the success and failure of our investment strategies, research, analysis and determination of portfolio securities. If you implement our recommendations, and our investment strategies do not produce the expected results, you may not achieve your objectives.
- Force Majeure Event Risk. A Force Majeure Event ("Event") means any act of God, terrorist, failure of utilities, pandemic virus outbreaks such as the novel coronavirus (COVID-19) or other similar circumstances not within the reasonable control nor predictable by the Firm. An Event may result in trading limitations including but not limited to the temporary closure of markets of anywhere between a few minutes to a few weeks which may cause the Firm to be unable to buy and sell securities in a clients' account and provide cash to a client. The Event may cause volatility in the markets, which may adversely affect the ability of the Firm to realize profits on behalf of its

clients. The Event may cause Market Risk, Inflation Risk, Market or Interest Rate Risk, Market Volatility, Equity (Stock Market) Risk, Company Risk, Risks Associated with Fixed Income, ETF and Mutual Fund Risk, Options Risks and Liquidity Risks. Please see the specific details of each risk as listed above.

ITEM 9. DISCIPLINARY INFORMATION

Registered investment advisors are required to disclose any legal or disciplinary events that are material to a client's or prospective client's evaluation of the advisory business or the integrity of the firm's management.

Neither Compton nor any of its supervised persons have been the subject of any legal or disciplinary events that would be material to an evaluation of Compton or the integrity of Compton's management.

ITEM 10. OTHER FINANCIAL INDUSTRY ACTIVITIES AND AFFILIATIONS

Except as stated below for Charles Ransom, Senior Vice President, our Firm and our related persons are not engaged in other financial industry activities and have no other industry affiliations.

Mr. Ransom provides non-discretionary investment management services to Meehan Fund, Inc., a Providence, Rhode Island-based personal holding company. Mr. Ransom provides these services on a part-time basis.

Compton Capital Management, Inc. has no affiliation with the Meehan Fund.

ITEM 11. CODE OF ETHICS

An investment adviser is considered a fiduciary and our Firm has a fiduciary duty to all clients. As a fiduciary, we have a responsibility to provide fair and full disclosure of all material facts and to act solely in the best interest of each of our clients at all times. Our fiduciary duty is considered the core underlying principle for our Code of Ethics.

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

Compton has adopted a Code of Ethics (hereinafter referred to as the "Code") in accordance with Rule 204A-1 of the Advisers Act. The purpose of the Code is to set forth the high ethical standards of business conduct that we require of our employees, including compliance with applicable federal securities laws. The Code requires that all employees conduct themselves in accordance with the highest ethical standards, which should be premised on the concepts of integrity, honesty and trust.

Compton and our employees owe a duty of loyalty, fairness and good faith towards our clients and have an obligation to adhere not only to the specific provisions of the Code, but to the general principles that guide the Code.

Our Code includes policies and procedures addressing gifts and entertainment, personal securities transactions, including the review of quarterly securities transactions reports as well as initial and annual securities holdings reports. Among other things, our Code also requires the prior approval of any acquisition of securities in a limited offering (e.g., private placement) or an initial public offering (“IPO”). Our Code also provides for oversight, enforcement and record keeping provisions.

Compton also reserves the right to disapprove any proposed transaction that may have the appearance of improper conduct.

In order to comply with legal and fiduciary duties and to avoid conflicts of interest, the Code requires that employees comply with applicable laws and that neither the Firm nor any related person may use confidential information about client accounts when making personal transactions, take personal advantage of investment opportunities that properly belong to clients, or act on the basis of material nonpublic or insider information about the issuer of a security, even if that would benefit a client account.

While we do not believe that we have any particular access to non-public information, all employees are reminded that such information may not be used in a personal or professional capacity.

A copy of our Code is available to our advisory clients and prospective clients. You may request a copy by email sent to spc@comptoncapital.com, or by calling us at 401-453- 4040.

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A. Personal Trading

Compton’s Code is designed to assure that the personal securities transactions, activities and interests of our employees will not interfere with (i) making decisions in the best interest of advisory clients and (ii) implementing such decisions while, at the same time, allowing employees to invest for their own accounts.

Compton and its supervised persons may buy or sell securities for their personal accounts that are purchased for or recommended to clients. The nature and timing of such investment actions may differ from the investment actions taken on behalf of clients, depending upon their respective investment goals.

With respect to relatively “liquid” securities, (i.e., those that are widely held and trade in institutional markets), the Firm and its related persons may generally trade in the same securities at the same time or after we direct trades on behalf of client accounts. Given the amount of securities that Compton manages, we do not believe that such trading would have any appreciable impact upon the prices of relatively liquid securities. When the securities being traded are considered “illiquid,” all client investment actions will be executed before those of the Firm or its related persons.

The Firm may aggregate (“block”) trades for itself or its related persons with client trades

For more information on this topic, please refer to "Brokerage Practices" (Item 12) below.

As these situations represent actual or potential conflicts of interest to our clients, we have established the following policies to ensure our Firm complies with its regulatory obligations and provides our clients and potential clients with full and fair disclosure of such conflicts of interest:

No principal or employee of our Firm may put his or her own interest above the interest of an advisory client.

No principal or employee of our Firm may buy or sell securities for their personal portfolio where their decision is a result of information received as a result of his or her employment, unless the information is also available to the investing public.

Our principals and employees must act in accordance with all applicable Federal and State regulations governing registered investment advisory practices.

Any individual who violates any of the above restrictions may be subject to termination.

ITEM 12. BROKERAGE PRACTICES

A. Selecting Brokerage Firms

Compton may execute securities transactions on behalf of its clients with any broker-dealer on Compton's approved broker-dealer list. Broker-dealers are selected for inclusion on the Compton's approved broker-dealer list based on several factors that may include the broker-dealer's expertise in trading exchange-traded products, access to markets, responsiveness to Compton, and the Firm's overall prior experience with the broker-dealer with respect to quality of execution, order routing practices, and clearance and settlement practices.

Periodically, Compton will seek comparisons from other broker-dealers for inclusion on the Firm's approved broker-dealer list. Compton generally considers the broker-dealer's size, reputation, financial stability, research coverage and the value of any research provided, commission rates, ability to maintain confidentiality of client orders, and disciplinary actions. Recognizing the value of these factors, the Firm may pay a brokerage commission in excess of that which another broker might charge for effecting the same transaction so long as the client receives the best overall qualitative execution.

B. Aggregation

Compton may sometimes aggregate orders to buy or sell the same security for multiple accounts at the same time, where possible and when consistent with our duty to seek best execution for our clients. This is also called "block trading" or "aggregated trading." The aggregation or blocking of client transactions allows an adviser to execute transactions in a more timely, equitable, and efficient manner and seeks to reduce overall commission charges to clients.

C. Soft Dollars

The Firm may receive research products and services from institutional broker-dealers in exchange for directing securities transactions to these brokerage firms. The research and other services are to be used to benefit Compton's clients. The exchange of these products and services for directing trades to certain brokers is known as "soft dollar" trading.

Through this soft dollar arrangement, Compton receives access to systems that provide market data, earnings estimates information and analysis, index information, portfolio analytics and risk metrics, and equity research. Pursuant to this arrangement, clients may pay higher commissions than would be the case if no soft dollar arrangement existed. Compton may also receive proprietary research from its executing brokers-dealers, which may be received in the form of published reports and analyses of issuers, industries, market trends and related technical information, computer based products, on-line data links, as well as access to analysts on the telephone and at research conferences and seminars. These services are

typically provided by broker-dealers to promote business relationships within the normal course of business conduct. In obtaining research or other products and services with soft dollars, Compton receives a benefit because the Firm does not have to produce or pay for the research, products or services. As a result of these arrangements, Compton may have an incentive to select or recommend a broker-dealer based on our interest in receiving research and other products or services rather than our clients' interest in receiving most favorable execution. Research information or services furnished by broker-dealers may be used in servicing any or all of our clients. Compton does not attempt to allocate soft dollar benefits proportionately to the accounts that generated the soft dollar credits.

ITEM 13. REVIEW OF ACCOUNTS

A. Periodic Review of Accounts

While the underlying securities within clients' accounts are continually monitored, these accounts are reviewed at least quarterly and when a circumstance necessitates it. Accounts are reviewed in the context of each client's stated investment objectives and guidelines.

These accounts are reviewed by the president and, if applicable, the investment officer overseeing the client account.

B. Review Triggers

More frequent reviews may be triggered by material changes in variables such as the client's individual circumstances, or the market, political or economic environment. Additionally, any discrepancies among our internal records or that of the custodians will trigger an off-cycle review of the Firm's accounts.

C. Regular Reports

In addition to monthly or quarterly statements that clients receive from their custodian, Compton may provide periodic reports to advisory clients which include, among other things, information about a client's financial situation, portfolio holdings, values and transactions. The Firm may also provide performance information to advisory clients about the client's performance, which may also include a reference to a relevant market index or benchmark.

ITEM 14. CLIENT REFERRALS AND OTHER COMPENSATION

Compton may enter into third-party marketing agreements with persons or businesses for the purpose of client referrals. Currently, Compton has one (1) of these arrangements in place.

As disclosed above, Compton receives soft dollar products and services that are derived from Compton's provision of investment advice to clients. Please see Item 12 above for a discussion of Compton's soft dollar arrangements and the conflicts of interest associated with such arrangements.

ITEM 15. CUSTODY

Compton does not maintain actual custody of client assets, but instead your assets are custodied with a qualified custodian. The client will receive account statements directly from the qualified custodian at least quarterly. The client should carefully and promptly review those statements when they are received. We also encourage clients to compare account statements to any periodic reports received from us.

As disclosed in the "Fees and Compensation" (Item 5) of this brochure, Compton and our client may authorize and arrange for the direct deduction of our advisory fees from client accounts.

As part of this fee billing process, the client's custodian is advised of the amount of the fee to be deducted from that client's account. Because the custodian does not calculate the amount of the fee to be deducted, it is important for clients to carefully review their custodial statements to verify the accuracy of the

calculation, among other things. Clients should contact us directly if they believe that there may be an error in their statement.

Other than for the potential direct deduction of advisory fees, Compton does not have actual or constructive custody of client accounts.

ITEM 16. INVESTMENT DISCRETION

Clients may hire Compton to provide discretionary asset management services, in which case we place trades in a client's account without contacting the client prior to each trade to obtain the client's permission.

Our discretionary authority includes the ability to do the following without contacting the client:

- determine the asset mix (e.g., 50% stocks, 50% bonds in a given account or portfolio)
- determine the security to buy or sell; and/or
- determine the amount of the security to buy or sell.

Clients give Compton discretionary authority when they sign the discretionary Agreement with the Firm. Discretionary authority gives Compton written authority to determine which securities and the amounts of securities that are bought or sold in a client's account. Clients may also change/amend such limitations by providing us with written instructions.

Clients may also hire us to provide non-discretionary asset management services; in which case, we will obtain the client's express permission and authorization prior to placing trades in a client's account. This limitation is reflected in a non-discretionary Agreement with our Firm.

ITEM 17. VOTING CLIENT SECURITIES

As a matter of Firm policy, unless the right to vote proxies for client securities is reserved to the plan trustee or the named fiduciary of an ERISA account, Compton will exercise all voting rights for securities held in accounts covered by a discretionary Agreement. The Firm has adopted a policy that includes the responsibility to monitor corporate actions, receive and vote client proxies and disclose any potential conflicts of interest as well as making information available to clients about the voting of proxies for their portfolio securities and maintaining relevant and required records. The Firm may determine that voting any particular proxy is not in a client's best interest. In the event of a conflict of interest, Compton will disclose the nature of the conflict and obtain client consent prior to voting such securities. Clients may obtain a copy of the Firm's proxy voting policies and procedures, or information on how proxies for their securities were voted, by forwarding a written request to the Firm.

ITEM 18. FINANCIAL INFORMATION

Compton does not have any financial commitments that impair its ability to meet contractual and fiduciary commitments to clients and has not been the subject of a bankruptcy proceeding.

Additionally, as stated in Item 5, Compton does not require or receive payment of any fees in advance of services rendered. Consequently, we are not required to include a financial statement with this brochure.