

FORM ADV PART 2A

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PER STIRLING
CAPITAL MANAGEMENT, LLC
Performance • Perspective • Per Stirling

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This brochure provides information about the qualifications and business practices of Per Stirling Capital Management, LLC. If you have any questions about the contents of this brochure, please contact us by telephone at (512) 628-2300 or by e-mail at info@perstirling.com. The information in this brochure has not been approved or verified by the United States Securities and Exchange Commission, or by any state securities authority.

Additional information on Per Stirling Capital Management, LLC, is also available on the SEC's website at www.adviserinfo.sec.gov.

Material Changes

Annual Update

The Material Changes section of this brochure will be updated annually when material changes occur since the previous release of the Firm Brochure.

Material Changes since the Last Update

Since the last annual update, Per Stirling has hired some additional employees and investment advisor representatives, and has consolidated our Plano, TX, office into our Dallas, TX, office. For more information regarding these changes, please review the full document and visit our website at www.perstirling.com.

More Information Available

Whenever you would like to receive additional compliance information, please contact us by telephone at: (888) 355-6075 or by email at: info@perstirling.com.

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Advisory Business

Firm Description

PER STIRLING CAPITAL MANAGEMENT, LLC (hereafter PER STIRLING) is a Registered Investment Advisory (RIA) firm headquartered in Austin, Texas, and registered with the Securities and Exchange Commission. Please note that being “registered” is simply the end result of a registration process, and does not imply any specific level of skill, training or achievement.

PER STIRLING was founded in 2009 and is led by an experienced and proven management team. The company’s two Directors, John Per O’Sullivan and Robert Stirling Phipps, III, together average over thirty years of industry experience and over 20 years of managing portfolios together. They’ve held the positions of President, Director, Chief Investment Officer, or Chief Market Strategist of Registered Investment Advisory and/or Broker-Dealer (i.e. brokerage) Firms.

PER STIRLING has three core competencies. They include 1) the management of custom-designed portfolios, 2) the management of a series of proprietary growth portfolios (a.k.a. “Per Stirling Model Portfolios”), and 3) financial planning services, which are all described in the body of this writing.

PER STIRLING is strictly a fee-based Registered Investment Advisor firm, and does not sell annuities, insurance, stocks, bonds, mutual funds, or other commissioned products. However, while Per Stirling Capital Management is fee only, some of our registered individuals are dually registered with B.B. Graham & Company, a registered broker-dealer and member of FINRA/SIPC, and can accept commissions for products sold through the broker-dealer.

PER STIRLING does not directly or indirectly compensate non-registered individuals for client referrals. PER STIRLING and its associates can, on occasion, recommend the services of other professionals (e.g., lawyers, accountants, insurance agents, etc.). However, any such professionals are engaged directly by the client on an as-needed basis. Conflicts of interest will be disclosed to the client in the unlikely event they should occur.

Principal Owners

John Per (J.P.) O’Sullivan and Robert Stirling Phipps, III, are majority stockholders of Per Stirling Capital Management, LLC. Richard Alan Jacobs is a minority stockholder in Per Stirling Capital Management, LLC.

Of note, John Per O’Sullivan is affiliated with B.B. Graham & Company (member of SIPC and FINRA) as a registered representative, which is a broker-dealer firm that does sell financial products and securities, whose Austin, Texas, branch office location operates as an Office of Supervisory Jurisdiction (an office identified by the broker-dealer as having supervisory responsibilities).

Types of Advisory Services

Investment Management Services

PER STIRLING provides investment management services, advises on accounts not involving investment management services, and furnishes investment advice through consultations.

PER STIRLING is pleased to manage custom-designed portfolios for clients. These portfolios are managed based on the client's stated objectives and in many instances, are to produce current income, manage the distribution of principal, or growth.

In addition to custom-designed portfolios, PER STIRLING manages a series of proprietary growth portfolios (a.k.a. "PER STIRLING Model Portfolios"). These accounts are managed by PER STIRLING's two Directors and are made available to both clients of PER STIRLING. These portfolios are described below:

PER STIRLING Core Growth Portfolio

PER STIRLING Growth Portfolio

PER STIRLING Conservative Growth Portfolio

The "Core Growth" and "Conservative Growth" portfolios employ a primarily dynamic, asset allocation-based approach to portfolio management that seeks to maintain an optimal allocation between asset classes (stocks, bonds, real estate, cash, etc.). Fundamental and statistical analysis, along with economic research, are at the core of the decision-making process in these portfolios.

The "Growth" portfolio is a primarily tactical, "best ideas" portfolio, where allocations are concentrated in the specific sectors, asset classes, and geographic regions (parts of the world) that PER STIRLING'S management team believes offer the most compelling investment opportunities. Fundamental and technical analysis is emphasized in the management of this portfolio.

TYPES OF MARKET ANALYSIS

Fundamental analysis is based upon fundamental news such as market valuations, earnings growth rates, economic data, currency trends, the interest rate outlook, and the prospects for fiscal and monetary policy.

Technical analysis is based on mathematical models and chart patterns. It is intended to provide insight into a market's internal condition by gauging factors such as investor sentiment, price momentum, and technical valuation.

Statistical analysis and back-testing helps the management team to anticipate how various portfolio allocations might perform based upon historical relationships and statistical factors such as absolute volatility, relative volatility, risk-adjusted return, and price correlation.

The one characteristic that is common to each of these portfolios is management's goal of creating "excess alpha". In plain English, this means that management attempts to produce high risk-adjusted returns. We describe it as "producing a level of long-term return that is higher than would reasonably be expected in light of the amount of risk in the portfolio".

These portfolios operate as "model portfolios". This means that all clients who adopt one of these strategies will experience virtually the same experience and returns as all other clients in the same portfolio strategy.

It is noteworthy that the firm's Directors and portfolio managers maintain a significant majority of their liquid net worth in these PER STIRLING Model Portfolios. At the same time, it should be noted that there is a potential conflict of interest in recommending these portfolios, as clients who invest in these portfolios are often more profitable to the firm than those who do not.

Detailed information on each of these portfolios is available upon request, and is easily accessible on our web site www.perstirling.com.

Assets are invested primarily in no-load mutual funds and exchange-traded funds, usually through brokers or fund companies. Fund companies charge each fund shareholder an investment management fee that is disclosed in the fund prospectus. Brokerages often charge a transaction fee for the purchase of some funds.

Stocks and bonds will be purchased or sold through a brokerage account when appropriate. The brokerage firm charges a fee for stock and bond trades. PER STIRLING does not receive any compensation, in any form, from fund companies.

Investments may also include: equities (stocks), corporate debt securities, commercial paper, certificates of deposit, municipal securities, investment company securities (variable annuity, variable life insurance, mutual funds shares), U.S. government securities, options contracts, and interests in partnerships.

Initial public offerings (IPOs) are not available directly through PER STIRLING.

Most clients choose to have PER STIRLING manage their assets in order to obtain ongoing investment advice and continuous investment management which requires an Investment Management Agreement. The scope of work and fee for an Investment Management Agreement is provided to the client in writing prior to the start of the relationship.

For clients receiving only investment management services, the annual Investment Management Agreement fee is based on a percentage of the investable assets under management or a flat fee. The management fee is a function of two components. The first is the advisor fee, which is determined between the client and their individual investment advisor associate. These advisor fees, which are not to exceed 2.0% of assets under management per annum, may be negotiable under certain circumstances.

For PER STIRLING clients who elect to participate in PER STIRLING'S Model Portfolios, there is an additional management fee of 20 basis points per annum (0.20%). This fee may be negotiable at the discretion of PER STIRLING'S executive management team.

Current client relationships exist where the fees are higher or lower than those noted above. Clients in custom-designed accounts may pay higher or lower fees than clients participating in PER STIRLING'S Model Portfolios depending primarily on the investment objectives of the client and the amount of assets under management.

PER STIRLING, in its sole discretion, may waive its minimum fee for the PER STIRLING Model Portfolios and/or charge a lesser investment advisory fee based upon certain criteria (e.g., historical relationship, type of assets, anticipated future earning capacity, anticipated future additional assets, dollar amounts of assets to be managed, related accounts, account composition, negotiations with clients, etc.).

Although the Investment Management Agreement is an ongoing agreement and constant adjustments are required, the length of service to the client is at the client's discretion. The client may terminate an Agreement by written notice to the Advisor. At termination of the Management Agreement, unearned management fees will be refunded to the client on a pro rata basis according to the following formula:

Most Recent Quarterly Fee Assessment X {Days Remaining in Quarter/Total Number of Days in Quarter}.

As of December 31, 2019, PER STIRLING managed approximately \$941,966,902 in assets. All of the firm's assets under management are managed on a discretionary basis.

Financial Planning Services

We believe that there are normally significant benefits to a client working with a financial advisor to craft a financial program, and thus encourage our clients to discuss the potential benefits of designing a financial plan with their personal advisor.

We offer financial planning services that can address everything from your current financial situation to your long-term financial goals and objectives. Financial plans can be either quite comprehensive or issue-specific. A financial plan can include, but is not limited to, the areas of:

- Investment management
- Retirement planning
- Estate planning
- Insurance planning
- Tax planning
- Asset protection strategies
- College funding strategies

CONSULTING SERVICES

In addition to a financial plan or on-going financial planning services, PER STIRLING also provides consulting services for clients who need advice on a limited scope of work.

Together with the investment advisor representative, it is determined how much time is required to complete the requested consultations and also decide whether the services are billed on an hourly or fixed-fee basis. Fees for consulting services are negotiable based upon the complexity of your situation and the actual services requested.

Clients can also receive professional advice on a more limited basis. This may include advice only on isolated area(s) of concern such as estate planning, retirement planning, or any other specific topic. We provide specific consultation services regarding client's current or projected financial position or other investment and financial concerns that client may have. Recommendations may be of a generic nature or tailored to specific securities, as outlined in the agreement signed by the client prior to accepting the consulting engagement.

PER STIRLING will also provide consulting services towards clients initiating 1031 exchanges of real property and seeking advice towards re-investment of assets received from the exchange. PER STIRLING will provide recommendations regarding the reinvestment of assets into Delaware Statutory Trusts (DST) or any real property instrument. Although PER STIRLING may assist clients with the preparation of direct application purchase, our firm does not facilitate the exchange or purchase of such properties or any investment. Clients may choose to accept our recommendations or may choose not to accept the recommendations made by PER STIRLING investment advisor representatives.

Some investment advisor representatives of PER STIRLING participate in the process of Collaborative Divorce with their clients. In order to engage in these services with their clients, a Collaborative Divorce Supplemental Participation Agreement must be signed between the advisor and their client(s) that outlines the advisor's participation in the process of Collaborative Divorce. This document includes, but is not limited to, how the advisor will interact with their counsel, our communication policies, confidentiality of information, and any conflicts of interest that may be present. The clients must also complete the Collaborative Divorce Engagement Agreement, which relates specifically to the advisor's services and their specific arrangement with the clients. This document includes, but is not limited to, the services the advisor offers, the rate at which they will bill, and how those fees should be paid.

Please note that none of the aforementioned services include legal or tax advice. You are urged to work closely with your attorney, accountant or other professionals regarding your financial and personal situation.

Tailored Relationships

The goals and objectives for each client are documented in the company's new account documentation. Clients in custom-designed accounts may impose restrictions on investing in certain securities or types of securities. Any such restrictions must be agreed to in writing by both the client and the investment advisor representative (i.e. the client's personal advisor). Clients who are invested in any of PER STIRLING'S three Model Portfolios (noted above) may not impose such restrictions due to the fact that all clients in each respective program must have virtually identical allocations.

Termination of Agreement

A client may terminate any of the aforementioned agreements at any time by notifying PER STIRLING in writing. Upon termination, PER STIRLING will refund any unearned portion of the advance payment.

PER STIRLING may terminate any of the aforementioned agreements at any time by notifying the client. Clients whose services have been terminated will be notified in writing either by mail to the last known address or email if client has consented to electronic delivery. Upon termination, PER STIRLING will refund any unearned portion of the advance payment.

Fees and Compensation

Description

PER STIRLING bases its investment management fees on a percentage of assets under management or a flat fee.

Typically, investment management fees will be debited from or billed to each account at the beginning of each quarter based on the value of the account as of the end of the prior quarter. The following formula will be used to determine the fee amounts to be assessed.

$$(\text{Account Value} \times \text{Management Fee}) \times (\# \text{ of days in the Quarter} / 365)$$

Example:

The quarterly assessment (for a 91-day quarter) on a \$100,000 portfolio with a 150-basis point (1.50%) annual management fee would be \$373.97 as shown:

$$(100,000 \times .015) \times (91 / 365) = \$373.97$$

Fees are payable in advance on the first day of the quarter and delinquent after the 15th day of the quarter. Any account in which fees are delinquent for more than 30 days is subject to termination of services hereunder, and any fees earned by the Advisor but unpaid by the Client will accrue at an interest rate equivalent to the prevailing Prime Rate as published by the Wall Street Journal plus 3%. Clients whose services have been terminated will be notified in writing either by mail to the last known address or email if client has consented to electronic delivery. The firm will not automatically change an investment position in the event of termination of services regardless of the type of account.

Prorating for New Client Assets is calculated by the following formula:

$$\text{Quarterly Calculation} \times \{\text{Days Remaining in Quarter} / \text{Total \# of Days in Quarter}\}.$$

Prorating for Terminating Accounts is calculated by the following formula:

$$\text{Most Recent Quarterly Fee Assessment} \times \{\text{Days Remaining in Quarter} / \text{Total Number of Days in Quarter}\}.$$

In certain instances, where clients request services outside of PER STIRLING'S core investment management services, hourly charges or fixed fees may apply. Any such hourly charges or fixed fees would be specified in advance through separate agreements and are priced based on the complexity of work, especially when asset management is not the most significant part of the relationship.

In certain instances, fees may be negotiable.

Fee Billing

Investment management fees are billed quarterly, in advance, meaning that we invoice you, or debit your account, at the beginning of the three-month billing period. Payment in full is expected upon invoice presentation. Fees are usually deducted from a designated client account to facilitate billing. The client must consent in advance to direct debiting of their investment account. This is further explained and documented in the Investment Management Agreement.

Financial Planning Fees

Fees for financial planning services are negotiable based on the complexity of your financial situation, the actual services requested and the advisor providing the services.

If a fixed fee is selected for Services, a deposit may be due upon presentation of initial invoice to Client. Any remaining portion will be due upon presentation of additional invoice to Client. Fixed-fee Services terminate upon presentation of the financial plan or completion of the requested services. If Client requires Services after a one-year period, a new agreement will be required.

Fees for Financial Planning Services may also be charged on an hourly-fee basis. If the actual hours needed to complete the plan are more than the estimate given, the advisor will contact the client before proceeding with additional work beyond the estimate. The client will be charged for the actual time expended on preparation of the plan. Any unpaid hourly fees will be due immediately from the client upon presentation of invoice.

PER STIRLING also provides hourly consulting services for clients who need advice on a limited scope of work. The hourly rate for limited scope engagements will range from \$150 to \$450, depending on the expertise of the advisor and the services provided. This hourly charged rate is entered into using a Financial Planning Agreement and is negotiable.

Consulting services for 1031 Exchange recommendations are billed on a fixed fee not to exceed 6.5% of the assets included in the recommendations of the 1031 assessment. Clients sign written agreements with their qualified intermediaries which provide that PER STIRLING fees are billed to the qualified intermediary, chosen by the client, and the qualified intermediary pays the fee to PER STIRLING. PER STIRLING provides an invoice to each client and their qualified intermediary.

Other Fees

Custodians will charge transaction fees on purchases or sales of certain securities. These transaction charges are usually small and incidental to the purchase or sale of a security. PER STIRLING will never participate (i.e. benefit from) such transaction fees.

PER STIRLING may act as a solicitor to a different advisory firm and their managed portfolios. A Financial Advisor may receive compensation for this referral.

Expense Ratios

Mutual funds, exchange-traded funds and exchange-traded notes generally charge a management fee for their services as investment managers. The management fee is called an expense ratio. For example, an expense ratio of 0.50 means that the mutual fund company

charges 0.5% per annum for their services. These fees are in addition to the fees paid by you to PER STIRLING.

Performance figures quoted by mutual fund companies in various publications are after their fees have been deducted.

Past Due Accounts and Termination of Agreement

PER STIRLING reserves the right to stop work on any account that is more than 30 days overdue. PER STIRLING also reserves the right to stop work on any account for reasons such as inability to reach client over an extended period of time or any reason which impairs PER STIRLING'S ability to appropriately advise the client.

Performance-Based Fees

Sharing of Capital Gains

Fees are not based on a share of the capital gains or capital appreciation of managed securities.

PER STIRLING does not use a performance-based fee structure because of the potential conflict of interest. Performance-based compensation may create an incentive for the adviser to recommend an investment that may carry a higher degree of risk to the client.

Types of Clients

Description

PER STIRLING provides investment management services to clients including individuals, corporations or other business entities, trusts, estates, charitable organizations, and state or municipal government entities. As some investment services are being provided through sub-advisory and private labeling agreements, the investment advisor may or may not be registered through PER STIRLING. While not its core market, PER STIRLING may also provide services to banks or thrift institutions, investment companies, and pension and profit-sharing plans.

Client relationships vary in scope and length of service.

Account Minimums

The minimum account size is \$250,000 of assets under management per "household". PER STIRLING has the discretion to waive the \$250,000 account minimum, which applies only to clients of PER STIRLING.

Methods of Analysis, Investment Strategies and Risk of Loss

Methods of Analysis

Security analysis methods may include charting, fundamental analysis, technical analysis, cyclical analysis, statistical analysis and back-testing.

The main sources of fundamental information include financial newspapers and magazines, CNBC, Bloomberg TV, inspections of corporate activities, research materials prepared by

others, corporate rating services, annual reports, prospectuses, filings with the Securities and Exchange Commission, and company press releases.

Other sources of information that PER STIRLING may use include, as examples, the Morningstar Institutional Workstation, Investools, and the World Wide Web.

Investment Strategies

PER STIRLING manages portfolios across an array of objectives and strategies. Objectives for portfolios range from capital preservation and current income to long-term growth and tactical sector allocation. PER STIRLING'S assets under management are in custom-designed portfolios in addition to the firm's three growth strategies that are being offered as "PER STIRLING Model Portfolios".

The one characteristic that is common to each of the PER STIRLING Model Portfolios is management's goal of creating "excess alpha". In plain English, this means that management attempts to produce high risk-adjusted returns. We describe it as "producing a level of long-term returns that is higher than would reasonable be expected in light of the amount of risk in the portfolio".

We endeavor to produce alpha for our clients on two fronts. The first is through our proprietary macroeconomic and technical analysis. Through this process we endeavor to determine the optimal asset mix and sector/geographic weightings for each of our strategies. The second front is our tactical securities selection process through which we identify opportunities that we believe should provide risk-adjusted returns in the anticipated environment.

The past successes of the PER STIRLING portfolio management team are not necessarily indicative of future results, and there is no guarantee that PER STIRLING will be successful in its efforts to produce "excess alpha".

The investment strategy for a specific client is based upon the objectives stated by the client during consultations. The client may change these objectives at any time. It is the responsibility of the client to discuss any such changes with their personal financial advisor.

Risk of Loss

All investment programs have certain risks that are borne by the investor. Our investment approach constantly keeps the risk of loss in mind. Investors face the following investment risks:

- **Interest-rate Risk:** Fluctuations in interest rates may cause investment prices to fluctuate. For example, when interest rates rise, yields on existing bonds become less attractive, causing their market values to decline.
- **Market Risk:** The price of a security, bond, or mutual fund may drop in reaction to tangible and intangible events and conditions. This type of risk is caused by external factors independent of a security's particular underlying circumstances. For example, political, economic and social conditions may trigger market events.

- **Inflation Risk:** When any type of inflation is present, a dollar today will buy more than will a dollar next year, because purchasing power is eroding at the rate of inflation.
- **Currency Risk:** Overseas investments are subject to fluctuations in the value of the dollar against the currency of the investment's originating country. This is also referred to as exchange rate risk.
- **Reinvestment Risk:** This is the risk that future proceeds from investments may have to be reinvested at a potentially lower rate of return (i.e. interest rate). This primarily relates to fixed income securities.
- **Business Risk:** These risks are associated with a particular industry or a particular company within an industry. For example, oil-drilling companies depend on finding oil and then refining it, a lengthy process, before they can generate a profit. They carry a higher risk of profitability than an electric company, which generates its income from a steady stream of customers who buy electricity no matter what the economic environment is like.
- **Liquidity Risk:** Liquidity is the ability to readily convert an investment into cash. Generally, assets are more liquid if many traders are interested in a standardized product. For example, Treasury Bills are highly liquid, while real estate properties are not.
- **Financial Risk:** Excessive borrowing to finance a business' operations increases the risk to profitability, because the company must meet the terms of its obligations in good times and bad. During periods of financial stress, the inability to meet loan obligations may result in bankruptcy and/or a declining market value.

Disciplinary Information

Legal and Disciplinary

As of the date of this brochure, the firm has not been involved in legal or disciplinary events related to past or present investment clients. If, in the future, an advisor joins the firm who has a legal or disciplinary event in their history, or if a current advisor is, in the future, the subject of a legal or disciplinary event, the details of such an event will be disclosed in that advisor's Form ADV Part 2B, which will be provided to all current and prospective future clients of that advisor.

Other Financial Industry Activities and Affiliations

Financial Industry Activities

PER STIRLING is not registered as a securities broker-dealer, or a futures commission merchant, commodity pool operator or commodity trading advisor.

Affiliations

Certain associates of PER STIRLING are also Registered Representatives (brokers), licensed to sell securities through B.B. Graham & Company, a registered broker-dealer and member of FINRA/SIPC, and may also be licensed to sell insurance products through various

insurance companies. Differing scales and terms of compensation between investment advisor and broker-dealer platforms create a potential conflict of interest in recommending one platform in lieu of another.

Aside from the above, PER STIRLING has no arrangements that are material to its advisory or its clients with a related person who is a broker-dealer, investment company, other investment advisor, financial planning firm, commodity pool operator, commodity trading adviser or futures commission merchant, banking or thrift institution, accounting firm, law firm, insurance company or agency, pension consultant, real estate broker or dealer, or an entity that creates or packages limited partnerships.

Importantly, under no circumstances will either PER STIRLING or its associates receive commissions or other transaction-related compensation on any account managed by PER STIRLING.

Code of Ethics, Fiduciary Acknowledgement, Participation or Interest in Client Transactions and Personal Trading

Code of Ethics

The employees of PER STIRLING have committed to a Code of Ethics that is available for review by clients and prospective clients upon request.

In summary, the Code of Ethics is based on the principle that PSCM and each of its employees owe a fiduciary duty to its clients and a duty to comply with federal and state securities laws and all other applicable laws. In recognition of this fact, PSCM requires that all representatives must place the interest of the clients first, and conduct themselves honestly and professionally. Representatives have a duty to take appropriate action if any illegal or unethical activity comes to their attention. Representatives must refrain from actions or activities that allow a person to profit or benefit from his or her position with respect to a client, or that otherwise bring into question the Representative's independence or judgment. This includes the obligation of Representatives to conduct their personal securities transactions in a manner that does not interfere with the transactions of any client or otherwise to take unfair advantage of their relationship with clients.

Fiduciary Acknowledgement

PER STIRLING acts as a fiduciary, and is committed to always act in what it perceives to be in the best interest of its clients.

When providing investment advisory services to retirement plans covered under the Employee Retirement Income Security Act ("ERISA"), we acknowledge our status as a "fiduciary" under Section 3(21) with respect to the investment-related services described in our investment management agreement and retirement plan consulting agreement. We may also exercise discretion over select plan investments and serve as an "investment manager" as defined under ERISA Section 3(38). As a fiduciary under ERISA, we will act solely in the interests of plan participants and beneficiaries with the degree of diligence, care and skill that a prudent person rendering similar services would exercise under similar circumstances. Please see our separate Retirement Plan Advisory Agreement Supplement, which describes the services we provide to Plan clients.

Participation or Interest in Client Transactions

Certain PER STIRLING associates and employees may buy or sell securities that are also held by clients. However, they cannot trade their own securities ahead of client trades.

Personal Trading

The Chief Compliance Officer of PER STIRLING is John Per O'Sullivan. He reviews all employee trades each month. His trades are reviewed by Amber Bell. The personal trading reviews ensure that employees activities do not adversely affect the general market or clients of PER STIRLING.

Brokerage Practices

Selecting Brokerage Firms

With the exception of the above-noted B.B. Graham & Company affiliation, PER STIRLING does not have any affiliation with product sales firms. Specific custodian recommendations are made to Clients based on their need for such services. PER STIRLING recommends custodians based on the proven integrity and financial responsibility of the firm and the best execution of orders at reasonable commission rates.

PER STIRLING currently utilizes Fidelity Investments, Charles Schwab, TD Ameritrade, and Interactive Brokers as qualified custodians of the firm.

PER STIRLING does not receive transaction fees or commissions from any of these arrangements.

PER STIRLING is provided software or other benefits from vendors in order to execute trades in accounts associated with PER STIRLING.

The client ultimately decides which brokerage firm is selected as the custodian firm. However, certain services, such as PER STIRLING'S Per Stirling Model Portfolio programs may not be available through all brokerage platforms.

Best Execution

PER STIRLING reviews the execution of trades at each custodian on an ongoing basis. Trading fees charged by the custodians is also reviewed on an ongoing basis. PER STIRLING does not receive any portion of the trading fees.

Soft Dollars

There are no "soft dollar" arrangements between PER STIRLING and any of these custodial firms. The Investopedia.com web site explains "Soft Dollars" as follows:

"For example, a mutual fund may offer to pay for research from a brokerage firm by executing trades at the brokerage.

Let's say that Large-Cap Value Fund (LCV) wants to buy some research from XYZ Brokerage Firm. LCV may agree to spend at least \$10,000 in commissions for brokerage services in return for research from XYZ. This would represent a soft dollar payment. Alternatively, if LCV wanted to simply buy the research from XYZ and not agree to any

kind of soft dollar fee, it might have to pay the brokerage firm \$7,000 in "hard dollars" (cash) for the service."

Order Aggregation

Most trades are mutual funds or exchange-traded funds where trade aggregation does not garner any client benefit.

Review of Accounts

Periodic Reviews

All accounts are reviewed on a firm level at least quarterly. Firm-level reviews of accounts are performed more frequently when market conditions dictate. In addition, custom-designed portfolio accounts are monitored on an ongoing basis by each respective investment advisor representative and company-sponsored portfolios, such as those described on pages five and six of this brochure, are reviewed frequently.

Review Triggers

Other conditions may trigger a review, including changes in the tax laws, new investment information, and changes in a client's own situation.

Regular Reports

PER STIRLING can provide quarterly reports to advisory households reflecting a current market appraisal of the client's account as well as year-to-date, one-year, three-year, five-year and lifetime returns (when available). The statements detail the customer's beginning and ending balances and any withdrawals or deposits during the period. PER STIRLING provides these reports for illustrative purposes only.

As a client, you should ultimately rely upon the statements provided by the custodian broker-dealer (where your assets are actually held), and use those statements to verify the information provided to you in the reports generated by PER STIRLING.

Additionally, the firm provides, on a monthly basis and at no additional cost, an investment writing entitled the *Per Stirling Capital Outlook*, which discusses current investment markets and offers PER STIRLING'S global capital markets and economic outlook.

The company also produces brochures referred to as "portfolio profiles" that detail the objectives, historical returns and important statistical information on the company-sponsored model portfolios described on pages five and six of this brochure.

Client Referrals and Other Compensation

Incoming Referrals

PER STIRLING and its associates have been fortunate to receive many client referrals over the years. The referrals came from current clients, estate planning attorneys, accountants, employees, personal friends of employees and other similar sources. The firm does not compensate referring parties for these referrals.

For information regarding our solicitors, please see the following section, “Solicitors Arrangement”

Referrals Out

PER STIRLING does not accept referral fees or any form of remuneration from other professionals when a prospect or client is referred to them without being specifically registered as a solicitor for that firm.

For information regarding our solicitors, please see the following section, “Solicitors Arrangement”

Solicitors Arrangement

PER STIRLING does utilize the services of solicitors who are paid a percentage of advisory fees as compensation for introducing clients to the firm. Any such fee-sharing arrangements are fully disclosed to the client. The role of a solicitor is different from that of an advisor associate and does not include providing investment and/or financial planning advice to clients. A solicitor can also be a Registered Representative of an affiliated broker-dealer firm, but this does not mean or imply that said solicitor is an investment advisor representative of PER STIRLING.

PER STIRLING or its advisors may also act as a solicitor to a different advisory firm and their managed portfolios. A Financial Advisor may receive compensation for this arrangement. This arrangement will always be disclosed prior to its execution.

PER STIRLING or its advisors may also solicit clients for other money managers. In these instances, clients will be required to complete the money manager’s required documentation and receive the money manager’s disclosure documents in addition to PER STIRLING’S required documents. In addition to these documents, the investment advisor representative must provide the client with a Solicitor Disclosure Statement disclosing all parties that will receive a portion of the fee that will be charged to the client and paid to the money manager.

Custody

Custody

PER STIRLING is deemed to have limited custody of client funds or securities when clients consent in advance to the direct debiting of their advisory fees from their account(s). PER STIRLING is also deemed to have custody of client funds or securities if it has the authority to withdraw client assets maintained with a qualified custodian upon the advisor’s instruction to the custodian when clients have utilized a standing letter of instruction or other similar asset transfer authorization arrangement (“SLOA”) established by the client and the qualified custodian. The SEC has set forth a set of standards intended to protect client assets in such situations, which we follow.

Account Statements and Performance Reports

All assets are held at qualified custodians, which means the custodians also provide account statements directly to clients at their address of record at least quarterly. Clients who do not receive a statement from their qualified custodian at least quarterly should notify PER STIRLING.

Clients are urged to compare the account statements received directly from their custodians to the performance report statements provided by PER STIRLING. PER STIRLING provides these reports for illustrative purposes only.

As a client, you should ultimately rely upon the statements provided by the custodian broker-dealer (where your assets are actually held), and use those statements to verify the performance information provided to you in the reports generated by PER STIRLING.

Investment Discretion

Discretionary Authority for Trading

PER STIRLING accepts discretionary authority to manage securities accounts on behalf of clients. PER STIRLING has the authority to determine, without obtaining specific client consent, the securities to be bought or sold, and the amount of the securities to be bought or sold.

The client approves the custodian to be used. PER STIRLING does not receive any portion of the transaction fees or commissions paid by the client to the custodian on certain trades.

Discretionary trading authority facilitates placing trades in a client's accounts on their behalf so that we may promptly implement the client's investment objectives.

An Investment Management Agreement provides the trading authorization for this purpose. You sign an Investment Management Agreement so that we may execute trades in pursuit of the objectives that you have approved. The client always maintains asset control. PER STIRLING places trades for clients in accordance with its Investment Management Agreement.

Voting Client Securities

Proxy Votes

PER STIRLING does not vote proxies on securities. Clients are expected to vote their own proxies. You will receive proxies directly from the custodian firm (the broker-dealer where your account is actually held).

When assistance on voting proxies is requested, PER STIRLING will provide recommendations to the Client. If a conflict of interest exists, it will be disclosed to the Client.

Financial Information

Financial Condition

PER STIRLING does not have any financial impairment that will preclude the firm from meeting contractual commitments to clients.

A balance sheet is not required to be provided because PER STIRLING does not serve as a custodian for client funds or securities due to taking the required steps to be in compliance with the Custody Rule criteria as outlined in the Securities and Exchange Commission's

("SEC") No-Action Letter, and does not require prepayment of fees of more than \$1,200 per client, more than six months in advance.

Business Continuity Plan

General

PER STIRLING has a Business Continuity Plan in place that provides detailed steps to mitigate and recover from the loss of office space, communications, services or key people. A copy of the PER STIRLING business continuity plan is available upon request.

Disasters

The Business Continuity Plan anticipates two kinds of SBDs, internal and external. Internal SBDs affect only our firm's ability to communicate and do business, such as a fire in our building. External SBDs prevent the operation of the securities markets or a number of firms, such as a terrorist attack, a city flood, or a wide-scale, regional disruption.

Alternate Offices

Alternate offices are identified to support ongoing operations in the event the main office is unavailable. It is our intention to contact all clients within five days of a disaster that dictates moving our office to an alternate location.

Loss of Key Personnel

PER STIRLING has taken the steps necessary to ensure that company operations will continue unabated in the event of the death or serious disability of key personnel. Additional details are available upon request.

Information Security Program

Information Security

PER STIRLING maintains an information security program to reduce the risk that your personal and confidential information may be breached.

Privacy Notice

PER STIRLING is committed to maintaining the confidentiality, integrity and security of the personal information that is entrusted to us. In November of 1999, Congress enacted the Gramm-Leach-Bliley Act ("GLBA"). The GLBA requires certain financial institutions, including broker-dealers and investment advisors, to protect the privacy of Customer Information. To the extent a financial institution discloses Customer Information to non-affiliated third parties, other than as permitted or required by law, customers must be given the opportunity and means to opt out (or prevent) such disclosure. Please note that PER STIRLING does not disclose Customer Information to non-affiliated third parties except as permitted or required by law (e.g., disclosures to service a client's account or to respond to subpoenas).

The categories of nonpublic information that we collect from you are in connection with establishing your account and providing investment advisory services. This Information will generally be derived from information we receive from you on the New Account

Application or other forms, and information about your securities transactions with us or other advisers and broker-dealers, which may be providing financial services to you. This information may include information about your personal finances, information about your health to the extent that it is needed for the goal-setting process, information about transactions between you and third parties, and information from consumer reporting agencies, e.g., credit reports. We use this information to help you meet your personal financial goals.

We restrict access to your personal and account information to our personnel, entities directly affiliated with or controlled by Per Stirling Capital Management, and third-party service providers on a “need to know” basis in order to provide products or services to you. We share a limited amount of information about you with your brokerage firm in order to execute securities transactions on your behalf.

We maintain physical, electronic, and procedural safeguards to guard your Non-Public Personal Financial Information and ensure that your information is not placed at unreasonable risk. We employ a firewall barrier, secure data encryption techniques and authentication procedures in our computer environment.

We do not provide your personal information to mailing list vendors or solicitors. We require strict confidentiality in our agreements with unaffiliated third parties that require access to your personal information, including financial service companies, consultants, and auditors. Federal and state securities regulators review our Company records and your personal records as permitted by law.

Personally identifiable information about you will be maintained while you are a client, and for the required period thereafter that records are required to be maintained by federal and state securities laws. After that time, information may be destroyed.

We will notify you of any changes affecting our privacy policy as applicable. We are required by law to deliver our *Privacy Notice* to you at the beginning of your business relationship with PER STIRLING, and annually, in writing, thereafter.