

**Form ADV Part 2A: Firm Brochure**

**Item 1 – Cover Page**

**Nelson Enterprises LLC  
doing business as Nelson Capital Advisors**

10 Page Place  
Orono, Maine 04473  
207-420-2442

[NelsonCapitalAdvisors.com](http://NelsonCapitalAdvisors.com)

[BondInvestmentMentor.com](http://BondInvestmentMentor.com)

Date of Disclosure Brochure: March 2020

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This disclosure brochure provides information about the qualifications and business practices of Nelson Enterprises LLC doing business as Nelson Capital Advisors (also referred to as I, me, Nelson Capital Advisors, and the firm throughout this disclosure brochure). If you have any questions about the contents of this disclosure brochure, please contact Christopher J. Nelson at 207-420-2442 or [chris@nelsoncapitaladvisors.com](mailto:chris@nelsoncapitaladvisors.com). The information in this disclosure brochure has not been approved or verified by the United States Securities and Exchange Commission or by any state securities authority.

Additional information about Nelson Enterprises is also available on the Internet at [www.adviserinfo.sec.gov](http://www.adviserinfo.sec.gov). You can view the firm's information on this website by searching for Nelson Enterprises LLC or the firm's CRD number 307706.

\*Registration as an investment adviser does not imply a certain level of skill or training.

\*\*Although Nelson Enterprises is referred to as I, me, Nelson Capital Advisors or the firm throughout this brochure for your convenience, please understand that any engagement described under this brochure will be made with the legal entity of Nelson Enterprises LLC.

## **Item 2 – Material Changes**

Nelson Enterprises, LLC doing business as Nelson Capital Advisors is a newly registered investment adviser, and this disclosure brochure dated March 2020 is the first disclosure brochure prepared by the firm. In the future, this item will discuss only specific material changes that are made to the disclosure brochure and provide readers with a summary of such changes. The firm will also reference the date of the last annual update of this disclosure brochure.

Nelson Capital Advisors will ensure that clients receive a summary of any material changes to this and subsequent disclosure brochures within 120 days after the firm's fiscal year ends. The firm's fiscal year ends on December 31, so clients will receive the summary of material changes no later than April 30 each year. At that time, Nelson Capital Advisors will also offer or provide a copy of the most current disclosure brochure. The firm may also provide other ongoing disclosure information about material changes as necessary.

### Item 3 – Table of Contents

Item 1 – Cover Page .....	1
Item 2 – Material Changes .....	2
Item 3 – Table of Contents .....	3
Item 4 – Advisory Business .....	4
Introduction .....	4
Description of Advisory Services .....	4
Limits Advice to Certain Types of Investments .....	6
Tailor Advisory Services to Individual Needs of Clients .....	6
Client Assets Managed by Nelson Capital Advisors .....	7
Item 5 – Fees and Compensation .....	7
Asset Management Services .....	7
Item 6 – Performance-Based Fees and Side-By-Side Management .....	10
Item 7 – Types of Clients .....	10
Minimum Investment Amounts Required .....	10
Item 8 – Methods of Analysis, Investment Strategies and Risk of Loss .....	10
Methods of Analysis .....	10
Primarily Recommend One Type of Security .....	11
Risk of Loss .....	11
Item 9 – Disciplinary Information .....	13
Item 10 – Other Financial Industry Activities and Affiliations .....	13
Item 11 – Code of Ethics, Participation in Client Transactions and Personal Trading .....	13
Code of Ethics Summary .....	13
Affiliate and Employee Personal Securities Transactions Disclosure .....	14
Item 12 – Brokerage Practices .....	14
Brokerage Recommendations .....	15
Directed Brokerage .....	15
Soft Dollar Benefits .....	15
Block Trading Policy .....	16
Agency Cross Transactions .....	16
Item 13 – Review of Accounts .....	16
Account Reviews and Reviewers .....	16
Statements and Reports .....	16
Item 14 – Client Referrals and Other Compensation .....	17
Item 15 – Custody .....	17
Item 16 – Investment Discretion .....	17
Item 17 – Voting Client Securities .....	18
Item 18 – Financial Information .....	18
Customer Privacy Policy Notice .....	18
Business Continuity Plan .....	19

## **Item 4 – Advisory Business**

Nelson Enterprises LLC doing business as Nelson Capital Advisors is an investment adviser registered with the United States Securities and Exchange Commission (“SEC”) and is a limited liability company (LLC) formed under the laws of the State of Maine.

- Christopher J. Nelson is the Managing Member of and 100% owner of Nelson Enterprises, LLC.
- Nelson Enterprises filed its initial application to become registered as an investment adviser in March 2020.

### **Introduction**

The investment advisory services of Nelson Capital Advisors are provided to clients through an appropriately licensed individual who is an investment adviser representative of Nelson Capital Advisors (referred to as your investment adviser representative throughout this brochure).

### **Description of Advisory Services**

The following are descriptions of the primary advisory services of Nelson Capital Advisors. Please understand that a written agreement, which details the exact terms of the service, must be signed by the client and Nelson Capital Advisors before the firm can provide the services described below.

### **Investment Management and Advisory Services**

Nelson Capital Advisors offers comprehensive asset management services, providing advice and recommendations on fixed income securities and equities. Services may be provided on a discretionary or non-discretionary basis. Advice may also be given on broader asset/liability topics as requested. Management of the investment portfolio is performed as part of the institution’s overall asset/liability strategy development. Investment recommendations will be customized based on the client’s objectives, balance sheet composition, liquidity needs, and other unique parameters or constraints. Clients may impose reasonable restrictions on investing in certain sectors or types of securities. All security purchases are supported with pre-purchase documentation. Client meetings are held regularly, and a quarterly investment report is provided as part of the service. Consultations are also held with the client between meetings as needed.

The client must appoint Nelson Capital Advisors as the investment adviser of record on specified accounts (collectively, the “Account”). The Account consists only of separate account(s) held by qualified custodian(s) under the client’s name. The qualified custodians maintain physical custody of all funds and securities of the Account, and the client retains all rights of ownership (e.g., right to withdraw securities or cash, exercise or delegate proxy voting and receive transaction confirmations) of the Account.

Nelson Capital Advisors manages the Account based on the client’s investment objectives, risk tolerance and other factors specific to the institution. The firm actively monitors the Account and provides advice regarding buying, selling, reinvesting or holding securities, cash or other investments of the Account. Clients have the ability to impose reasonable restrictions on Account management, including the ability to prohibit the purchase of certain securities.

Nelson Capital Advisors will contact all clients at least annually to discuss any changes or updates regarding a client's investment objectives, risk tolerance and other related factors. However, clients are responsible for notifying the firm of any updates regarding objectives, risks and other factors, and whether the client wishes to impose or modify any existing investment restrictions.

Nelson Capital Advisors manages investments for other clients and may provide advice to or take actions for them, or for personal accounts, that is different from the advice provided to or actions taken for the client. The firm is not obligated to buy, sell or recommend to clients any security or other investment that it may buy, sell or recommend for any other clients or for personal accounts. Conflicts may arise in the allocation of investment opportunities among accounts that are managed by the firm. Nelson Capital Advisors strives to allocate investment opportunities believed to be appropriate for all client accounts equitably and consistent with the best interests of all accounts involved. However, there can be no assurance that a particular investment opportunity that is presented will be allocated in any particular manner. If Nelson Capital Advisors obtains material, non-public information about a security or its issuer that it may not lawfully use or disclose, the firm has absolutely no obligation to disclose the information to any client or use it for any client's benefit.

### **Consulting Services**

Nelson Capital Advisors provides one-time and limited engagement investment consulting services for institutions that are in need of the firm's expertise. This includes, but is not limited to, services such as bond or portfolio reviews, investment policy development, regulatory-related management requests, and specialty investment consultations.

The firm's consulting services do not involve implementing any transaction(s) on the client's behalf or the active and ongoing monitoring or management of investments or accounts. The client has the sole responsibility for determining whether to implement consulting recommendations made by the firm. To the extent that the client decides to implement any investment recommendations through Nelson Capital Advisors or retain Nelson Capital Advisors to actively monitor and manage investments, the client must execute a separate written agreement with the firm for investment management or advisory services.

### **Education and Training Services**

In addition to investment management, advisory, and consulting services, the firm offers the following education and training programs and services under the Bond Investment Mentor brand:

#### **Onsite Training**

Bond Investment Mentor provides one- or two-day training sessions on fixed income investments and portfolio management for institutional groups at their location. The training can be tailored to the specific needs and objectives of the group. Specialty training for an institution's management or board is also available.

#### **Investment Workshops**

Bond Investment Mentor offers investment workshops for employees involved with investments at community-based financial institutions. These are generally two to three days of comprehensive training on topics relating to fixed income securities and the management of an institution's investment portfolio.

## **Online Courses**

Bond Investment Mentor provides online courses for on-demand education and training for community-based financial institutions. The courses cover topics related to fixed income investments, portfolio management and related financial topics. Clients have access to the full library of courses and can participate in other training activities, such as group calls and webinars.

## **Personal Coaching**

Bond Investment Mentor offers one-on-one coaching for clients interested in a highly tailored and personalized approach. The firm provides individualized professional training and development on investments, portfolio management, asset/liability management and other topics pertinent to community-based financial institutions.

## **Limits Advice to Certain Types of Investments**

Nelson Capital Advisors provides investment advice on the following types of investments:

- Fixed Income Securities - Bonds
- Mutual Funds
- Exchange Traded Funds (ETFs)
- Exchange-listed Securities
- Corporate Debt Securities
- Certificates of Deposit
- Municipal Securities
- US Government Securities
- Securities Properly Exempted from Registration

Although Nelson Capital Advisors generally provides advice only on the products previously listed, the firm reserves the right to offer advice on any investment product that may be suitable for a client's specific circumstances, needs, goals and objectives.

*(Please refer to Item 8 – Methods of Analysis, Investment Strategies and Risk of Loss for more information.)*

## **Tailor Advisory Services to Individual Needs of Clients**

Nelson Capital Advisors' advisory and consulting services are always provided based on the client's individual needs. This means, for example, that when the firm provides asset management services, the client is given the ability to impose restrictions on the accounts being managed, including specific investment selections and sectors. Nelson Capital Advisors works with clients on a one-on-one basis through interviews, meetings and other communications to determine a client's investment objectives and suitability information. Nelson Capital Advisors will not enter into an investment adviser relationship with a prospective client whose investment objectives may be considered incompatible with the firm's investment philosophy or strategies or where the prospective client seeks to impose unduly restrictive investment guidelines.

### **Client Assets Managed by Nelson Capital Advisors**

As a newly registered investment adviser, Nelson Capital Advisors has no assets under management to report as of the date of this Brochure.

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

In addition to the information provided in *Item 4 – Advisory Business*, this section provides additional details regarding the firm's services along with descriptions of each service's fees and compensation arrangements. It should be noted that lower fees for comparable service may be available from other sources. The exact fees and other terms will be outlined in the agreement between each client and Nelson Capital Advisors.

### **Asset Management Services**

Fees are negotiated annually and are based on total assets as reported in the client's most recent quarter-end statement of condition. Fees are billed monthly in arrears and will be billed to the client via invoice. Accounts initiated or terminated during a billing period will be charged a prorated fee. The schedule below indicates the maximum annual amount that may be charged.

### **FEE SCHEDULE**

<b>Bank Asset Size (in millions)</b>	<b>Annual Fee</b>
\$50 - \$249	\$25,000 - \$50,000
\$250 – \$499	\$50,000 - \$65,000
\$500 – \$749	\$65,000 - \$75,000
\$750 - \$999	\$75,000 - \$85,000
\$1,000 - \$1,249	\$85,000 - \$95,000
\$1,250 - \$1,499	\$95,000 - \$105,000
\$1,500 - \$1,749	\$105,000 - \$115,000
\$1,750 - \$1,999	\$115,000 - \$125,000
\$2,000 or greater	Negotiable

Nelson Capital Advisors retains the discretion to negotiate alternative fees on a client-by-client basis. Client circumstances and needs, such as the complexity of the investment portfolio, assets to be placed under management, anticipated future additional assets, and account composition are considered in determining the fee schedule. The specific fee schedule is identified in the agreement between the firm and each client.

The firm may also bill reasonable travel expenses for the previous quarter. A client agreement may be canceled at any time, by either party, for any reason upon receipt of 30 days written notice. Upon termination of any account, any prepaid, unearned fees will be promptly refunded.

If asset management services are commenced in the middle of the billing period, then the prorated fee for that billing period is based on the value of the Account when services commence and is due immediately and will be deducted from Account when services commence.

The asset management services continue until terminated by either party by giving thirty (30) days written notice to the other party. Any prepaid, unearned fees will be promptly refunded by Nelson Capital Advisors to the client. Fee refunds will be determined on a pro rata basis using the number of days services are actually provided during the final period.

Fees charged for asset management services are negotiable based on the type of client, the complexity of the client's situation, the composition of the client's account, the potential for additional account deposits, the relationship of the client with the investment adviser representative and the total amount of assets under management for the client.

Nelson Capital Advisors believes that its annual fee is reasonable in relation to: (1) services provided and (2) the fees charged by other investment advisers offering similar services/programs. However, the firm's annual investment advisory fee may be higher than that charged by other investment advisers offering similar services/programs. In addition to the firm's compensation, the client may also incur charges imposed at the mutual fund level (e.g., advisory fees and other fund expenses).

Fees are due upon receipt of a billing notice sent directly to the client. The billing notice will detail the formula used to calculate the fee, the assets under management and the time period covered. Fees for the services of the firm will be due immediately after client receipt of the billing notice.

Brokerage expenses and/or transaction fees charged by the qualified custodian are billed directly to the client by the qualified custodian. Nelson Capital Advisors does not receive any portion of such commissions or fees from the client or the qualified custodian. In addition, the client may incur certain charges imposed by third parties other than Nelson Capital Advisors in connection with investments made through the account including, but not limited to, mutual fund sales loads, 12(b)-1 fees and surrender charges, and charges imposed by the qualified custodian(s) of the client's account. Management fees charged by Nelson Capital Advisors are separate and distinct from the fees and expenses charged by investment company securities that may be recommended to clients. A description of these fees and expenses are available in each investment company security's prospectus.

### **Consulting Services**

Nelson Capital Advisors will charge a flat fee for project-based investment consulting services, with half of the fee billed in advance of the project's commencement and half of the fee billed upon its completion. Project-based fees will range from \$2500 to \$50,000, depending on the scope and complexity of the project(s). For other consulting services, the firm will charge either an hourly consulting fee or a retainer fee. Hourly consulting fees will range from \$250 to \$500 per hour depending on the complexity of the client situation and will be billed in arrears on a monthly basis. Retainer fees will range from \$10,000 to \$50,000 depending on the complexity of the client situation and will be billed in advance on a quarterly basis. The actual fee charge for consulting services will be specified in the client agreement.

All investment consulting contracts can be terminated with a 30-day notice, and any part of the fee that is not earned by the firm is not billed or is refunded to the client. Nelson Capital Advisors retains the discretion to negotiate consulting fees on a client-by-client basis. Client circumstances and needs, such as the complexity of the investment portfolio and account composition are considered in determining the



consulting fee schedule. The specific fee schedule is identified in the agreement between the firm and each client.

## **Education and Training Services**

### **Onsite Training**

Nelson Capital Advisors will charge a fixed fee for onsite training programs provided through Bond Investment Mentor. The fixed fee for onsite training services will typically range from \$10,000 to \$20,000, based upon the anticipated length and complexity of the training. The actual fee charged for onsite training programs will be specified in the client agreement and billed in advance. All onsite training engagements can be terminated with a 15-day advance written notice, and any portion of the fee that is not earned by the firm will be promptly refunded to the client.

### **Investment Workshops**

The firm will also charge a fixed fee for investment workshops. The workshop fee will range from \$1500 to \$2500 per participant and will vary depending upon the length of the workshop and the complexity of the information being provided. Investment workshop fees are charged in advance. Refunds for workshop fees will be available to participants who provide a written request for termination at least 5 business days prior to the workshop.

### **Online Courses**

Fees for online courses offered through Bond Investment Mentor will range between \$150 and \$300 per course or an ongoing subscription fee ranging between \$125 and \$350 per month. The course fee will vary based upon the length of the course and the complexity of the information being provided. The fixed per course fee will be charged in advance; the course subscription fee will be charged monthly in advance.

### **Personal Coaching**

The firm charges a fixed fee for personal coaching services ranging from \$250 to \$350 per hour, depending on whether sessions are purchased individually or as part of a package. The actual fee charged for personal coaching services will be specified in the client agreement. Personal coaching fees are charged in advance for individual sessions and billed quarterly for packages. All personal coaching contracts can be terminated with a 30-day notice, and any part of the fee that is not earned by the firm will be promptly refunded to the client.

## ***Other Fee Terms for Consulting Services***

Clients should notify Nelson Capital Advisors within ten (10) days of receipt of an invoice if they have questions about or dispute any billing entry.

All fees paid to Nelson Capital Advisors for consulting services are separate and distinct from the commissions charged by a broker, dealer, custodian or asset management fees charged by an investment adviser to implement such recommendations.

It should be noted that lower fees for comparable services may be available from other sources.

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

Performance-based fees are defined as fees based on a share of capital gains on or capital appreciation of the assets held in a client's account. *Item 6* is not applicable to this Disclosure Brochure because Nelson Capital Advisors does not charge or accept performance-based fees.

## **Item 7 – Types of Clients**

Nelson Capital Advisors generally provides investment advice to the following types of clients:

- Banks or thrift institutions
- Credit Unions
- Other financial institutions
- Institutional Clients

Clients are required to execute a written agreement with Nelson Capital Advisors specifying the particular advisory services in order to establish a client arrangement with the firm.

### **Minimum Investment Amounts Required**

There are no minimum investment amounts or conditions required for establishing an account managed by Nelson Capital Advisors. However, all clients are required to execute an agreement for services in order to establish a client arrangement with Nelson Capital Advisors.

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

### **Methods of Analysis**

Nelson Capital Advisors provides customized strategies and recommendations that are based on the risk/reward profile of the client. The investment analysis and portfolio management process incorporates several key factors. These include the specific needs of the client; the characteristics, risks and relative value of each investment sector or security type; and the current economic and capital market environment. Nelson Capital Advisors takes these factors into consideration in developing customized and in-depth investment strategies that are appropriate and suitable for the client.

When developing investment strategies or recommending investments, the firm's primary driver is the overall asset/liability position of the client. In general, Nelson Capital Advisors makes recommendations to help mitigate the client's underlying risk exposures on its balance sheet. The firm provides advisory services for both fixed income and equity management. Investment decisions are based on relevant research obtained from external sources, in-house expertise, and the evaluation of factors relating to the security type under consideration. Prior to the recommendation or purchase of a security, a pre-purchase assessment is prepared, which outlines the description, rationale and suitability for the client.

Fixed income portfolio management is generally driven by the client's balance sheet needs. Nelson Capital Advisors bases client recommendations on such factors as potential risk exposures, income requirements, liquidity needs, and risk tolerance. In developing investment strategies, the firm takes into account portfolio diversification, sector weights, duration targets, and cash flow management. Additionally, factors such as current and forward interest rates, yield curve slope and interest rate spreads are considered.

The management of common stock portfolios is primarily driven by fundamental analysis. In general, Nelson Capital Advisors focuses on stocks whose underlying companies have produced regular and increasing dividend income over time. Long-term capital appreciation will be considered, but it is a secondary objective. In considering potential investment candidates for recommendation, the firm utilizes a mix of qualitative and quantitative analysis from independent resources to determine the relative value of a security.

### **Primarily Recommend One Type of Security**

Nelson Capital Advisors primarily recommends and provides education and training on fixed income securities; however, the firm has the ability to recommend any product that may be suitable for each client relative to that client's specific circumstances and needs.

### **Risk of Loss**

Past performance is not indicative of future results. Therefore, clients should never assume that future performance of any specific investment or investment strategy will be profitable. Investing in securities (including stocks, mutual funds, and bonds, etc.) involves risk of loss. Further, depending on the different types of investments there may be varying degrees of risk. The client should be prepared to bear investment loss including loss of original principal.

Because of the inherent risk of loss associated with investing, the firm is unable to represent, guarantee, or even imply that the services and methods of analysis utilized can or will predict future results, successfully identify market tops or bottoms, or insulate clients from losses due to market corrections or declines.

There are certain additional risks associated with investing in securities through the firm's investment management program, as described below:

- **Interest Rate Risk** - Interest rate risk is the probability of a decline in the value of an asset resulting from unexpected fluctuations in interest rates. Interest rate risk is mostly associated with fixed-income assets (e.g., bonds) rather than with equity investments. The interest rate is one of the primary drivers of a bond's price. The current interest rate and the price of a bond demonstrate an inverse relationship. In other words, when the interest rate increases, the price of a bond decreases.
- **Prepayment Risk** - Prepayment risk is the risk involved with the premature return of principal on a fixed-income security. When principal is returned early, future interest payments will not be paid on that part of the principal, meaning investors in associated fixed-income securities will not receive interest paid on the principal. The risk of prepayment is most prevalent in fixed-income

securities such as callable bonds and mortgage-backed securities (MBS). Bonds with payment risk often have prepayment penalties.

- **Extension Risk** - Extension risk is the risk that borrowers will defer prepayments due to market conditions. It is a risk that is generally analyzed in secondary market structured credit product investments.
- **Reinvestment Risk** - Reinvestment risk refers to the possibility that an investor will be unable to reinvest cash flows (e.g., coupon and principal payments) at a rate comparable to their current rate of return. Zero-coupon bonds are the only fixed-income security to have no investment risk since they issue no coupon payments.
- **Liquidity Risk** - Liquidity risk stems from the lack of marketability of an investment that can't be bought or sold quickly enough to prevent or minimize a loss. It's typically reflected in unusually wide bid-ask spreads or large price movements.
- **Credit Risk** - Credit risk is the possibility of a loss resulting from a borrower's failure to repay a loan or meet contractual obligations, or the failure to pay scheduled interest or principal payments on a fixed income security. Traditionally, it refers to the risk that a lender may not receive the owed principal and interest, which results in an interruption of cash flows and increased costs for collection.
- **Event Risk** - Event risk is the possibility that an unforeseen event will negatively affect a company, industry, or security.
- **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.
- **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 a client held common stock, or common stock equivalents, of any given issuer, the client would generally be exposed to greater risk than if they held preferred stocks and debt obligations of the issuer.
- **Company Risk** - When investing in stock positions or corporate fixed income securities, 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.
- **ETF and Mutual Fund Risk** – When investing in an ETF or mutual fund, the client will bear additional expenses based on the 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. The client may also incur brokerage costs when purchasing ETFs.
- **Management Risk** – The client's investment with Nelson Capital Advisors varies with the success and failure of the firm's investment strategies, research, analysis and

determination of portfolio securities. If the investment strategies employed do not produce the expected returns, the value of the investment could be affected.

### **Item 9 – Disciplinary Information**

*Item 9* is not applicable to this Disclosure Brochure because there are no legal or disciplinary events that are material to a client's or prospective client's evaluation of the firm's business or integrity.

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

Nelson Capital Advisors is **not** and does **not** have a related person that is a broker/dealer, municipal securities dealer, government securities dealer or broker, an investment company or other pooled investment vehicle (including a mutual fund, closed-end investment company, unit investment trust, private investment company or "hedge fund," and offshore fund), another investment adviser or financial planner, a futures commission merchant, commodity pool operator, or commodity trading advisor, a banking or thrift institution, an accountant or accounting firm, a lawyer or law firm, an insurance company or agency, a pension consultant, a real estate broker or dealer, and a sponsor or syndicator of limited partnerships.

Nelson Capital Advisors is an independent investment registered adviser and only provides investment advisory services. The firm is not engaged in any other business activities and offers no other services except those described in this Disclosure Brochure.

#### **Other Business Activity of Company Principal**

Christopher J. Nelson is currently the Chief Investment Officer and the Director of Finance and Treasury for the Bangor Savings Bank. He will spend the majority of his time on this activity while Nelson Capital Advisors becomes established.

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

#### **Code of Ethics Summary**

According to the *Investment Advisers Act of 1940*, an investment adviser is considered a fiduciary and has a fiduciary duty to all clients. Nelson Capital Advisors has established a Code of Ethics to comply with the requirements of Section 204(A)-1 of the *Investment Advisers Act of 1940* that reflects its fiduciary obligations and those of its supervised persons. The Code of Ethics also requires compliance with federal securities laws. The Code of Ethics covers all individuals that are classified as "supervised persons". All employees, officers, directors and investment adviser representatives are classified as supervised persons. Nelson Capital Advisors requires its supervised persons to consistently act in the client's best interest in all advisory activities. Nelson Capital Advisors imposes certain requirements on its affiliates and supervised persons to ensure that they meet the firm's fiduciary responsibilities to its clients. The standard of conduct required is higher than ordinarily required and encountered in commercial business.

This section is intended to provide a summary description of the Code of Ethics of Nelson Capital Advisors. If a client wishes to review the Code of Ethics in its entirety, the firm will promptly provide a copy of the Code of Ethics upon receipt of the client's written request.

### **Affiliate and Employee Personal Securities Transactions Disclosure**

Nelson Capital Advisors or supervised persons of the firm buy and sell, for their personal accounts, investment products identical to those recommended to clients. This creates a conflict of interest. It is the express policy of Nelson Capital Advisors that all persons associated in any manner with the firm must place clients' interests ahead of their own when implementing personal investments. As is required by the firm's internal procedures manual, Nelson Capital Advisors and its supervised persons will not buy or sell securities for their personal account(s) where their decision is derived, in whole or in part, by information obtained as a result of employment or association with the firm unless the information is also available to the investing public upon reasonable inquiry.

Nelson Capital Advisors is now and will continue to be in compliance with applicable state and federal rules and regulations. To mitigate conflicts of interest that can occur when access persons manage their personal accounts at the same time Nelson Capital Advisors manages client accounts, the firm has developed written supervisory procedures that include personal investment and trading policies for all representatives, employees and their immediate family members (collectively, supervised persons):

- Supervised persons cannot prefer their own interests to that of the client.
- Supervised persons cannot purchase or sell any security for their personal accounts prior to implementing transactions for client accounts.
- Supervised persons cannot buy or sell securities for their personal accounts when those decisions are based on information obtained as a result of their employment, unless that information is also available to the investing public upon reasonable inquiry.
- Supervised persons are prohibited from purchasing or selling securities of companies in which any client is deemed an "insider".
- Supervised persons are discouraged from conducting frequent personal trading.
- Supervised persons are generally prohibited from serving as board members of publicly traded companies unless an exception has been granted to the Chief Compliance Officer of Nelson Capital Advisors.

Any Supervised person not observing the firm's policies is subject to sanctions up to and including termination.

### **Item 12 – Brokerage Practices**

If Nelson Capital Advisors assists in the implementation of any recommendations, the firm is responsible to ensure that the client receives the best execution possible. Best execution does not necessarily mean that clients receive the lowest possible commission costs but that the qualitative execution is best. In other words, all conditions considered, the transaction execution is in the client's best interest. When considering best execution, Nelson Capital Advisors considers a number of factors besides prices and rates including, but not limited to:

- Execution capabilities (e.g., market expertise, ease/reliability/timeliness of execution, responsiveness, integration with the firm's existing systems, ease of monitoring investments)
- Products and services offered (e.g., investment programs, back office services, technology, regulatory compliance assistance, research and analytic services)
- Financial strength, stability and responsibility
- Reputation and integrity
- Ability to maintain confidentiality

The firm exercises reasonable due diligence to make certain that best execution is obtained for all clients when implementing any transaction by considering the back-office services, technology and pricing of services offered.

### **Brokerage Recommendations**

If a client is in need of a brokerage or custodial relationship, Nelson Capital Advisors will recommend brokers or custodians for consideration. Nelson Capital Advisors is independently owned and operated and not affiliated with any broker or custodian.

Nelson Capital Advisors will perform a thorough annual due diligence review of all brokers and custodians recommended. Results of the firm's due diligence reviews can be obtained upon written request.

### **Directed Brokerage**

Clients are allowed to select the broker-dealers that will be used to execute securities transactions or the custodian that will be used to hold their accounts. Clients directing the use of a particular broker/dealer or other custodian must understand that Nelson Capital Advisors may not be able to obtain the best prices and execution for the transaction. Under a client-directed brokerage arrangement, clients may receive less favorable prices than would otherwise be the case if the client had not designated a particular broker, dealer or custodian. Directed brokerage account trades are generally placed by Nelson Capital Advisors after effecting trades for other clients of Nelson Capital Advisors. In the event that a client directs Nelson Capital Advisors to use a particular broker, dealer or custodian, Nelson Capital Advisors may not be authorized to negotiate commissions and may be unable to obtain volume discounts or best execution. In addition, under these circumstances a disparity in commission charges may exist between the commissions charged to clients who direct Nelson Capital Advisors to use a particular broker, dealer or custodian versus clients who do not direct the use of a particular broker, dealer or custodian.

### **Soft Dollar Benefits**

An investment adviser receives soft dollar benefits from a broker, dealer or custodian when the investment adviser receives research or other products and services in exchange for client securities transactions or maintaining an account balance with the custodian.

Nelson Capital Advisors does not have a soft dollar agreement with a broker, dealer, custodian or a third-party.

### **Block Trading Policy**

Investment advisors may elect to purchase or sell the same securities for several clients at approximately the same time when they believe such action may prove advantageous to clients. This process is referred to as aggregating orders, batch trading or block trading. Nelson Capital Advisors does not engage in block trading.

It should be noted that implementing trades on a block or aggregate basis may be less expensive for client accounts; however, it is the firm's trading policy is to implement all client orders on an individual basis. Therefore, Nelson Capital Advisors does not aggregate or "block" client transactions. Considering the types of investments are held in advisory client accounts, the firm does not believe clients are hindered in any way because accounts are traded individually. This is because Nelson Capital Advisors develops individualized investment strategies for clients and holdings will vary. The firm's strategies are primarily developed for the long-term and minor differences in price execution are not material to the overall investment strategy.

### **Agency Cross Transactions**

Nelson Capital Advisor's associated persons are prohibited from engaging in agency cross transactions, meaning the firm cannot act as brokers for both the sale and purchase of a single security between two different clients and cannot receive compensation in the form of an agency cross commission or principal mark-up for the trades.

## **Item 13 – Review of Accounts**

### **Account Reviews and Reviewers**

Managed accounts are reviewed at least quarterly. While the calendar is the main triggering factor, reviews can also be conducted at the client's request. Account reviews will include investment strategy and objectives review and making a change if strategy and objectives have changed. Reviews are conducted by the firm with reviews performed in accordance with client investment goals and objectives.

### **Statements and Reports**

For the firm's asset management services, clients are provided with transaction confirmation notices and regular quarterly account statements in writing directly from the qualified custodian.

Nelson Capital Advisors will provide each client with a quarterly investment report. Clients are encouraged to always compare any reports or statements provided by the firm against the account statements delivered from the qualified custodian. When a client has questions about the account statement, they should contact Nelson Capital Advisors and the qualified custodian preparing the statement.



## Item 14 – Client Referrals and Other Compensation

Nelson Capital Advisors does not directly or indirectly compensate any person for client referrals.

The only compensation received from advisory services is the fees charged for providing investment advisory services as described in *Item 5* of this Disclosure Brochure. Nelson Capital Advisors receives no other forms of compensation in connection with providing investment advice.

*Please see Item 5, Fees and Compensation, Item 10, Other Financial Industry Activities and Affiliations and Item 12, Brokerage Practices, for additional discussion concerning other compensation.*

## Item 15 – Custody

Custody, as it applies to investment advisors, has been defined by regulators as having access or control over client funds and/or securities. In other words, custody is not limited to physically holding client funds and securities. If an investment adviser has the ability to access or control client funds or securities, the investment adviser is deemed to have custody and must ensure proper procedures are implemented. According to this definition, Nelson Capital Advisors does **not** have custody of client funds or securities.

## Item 16 – Investment Discretion

When providing asset management services, Nelson Capital Advisors maintains trading authorization over the client's Account and can provide management services on a **discretionary** basis. When discretionary authority is granted, Nelson Capital Advisors will have the authority to determine the type of securities and the amount of securities that can be bought or sold for a client's portfolio without obtaining consent for each transaction. However, it is the policy of Nelson Capital Advisors to consult with clients prior to making significant changes in the account even when discretionary trading authority is granted.

If a client decides to grant trading authorization on a **non-discretionary** basis, Nelson Capital Advisors will be required to contact the client prior to implementing changes in the account. Therefore, clients will be contacted and required to accept or reject the firm's investment recommendations including:

- The security being recommended
- The number of shares or units
- Whether to buy or sell

Once the above factors are agreed upon, Nelson Capital Advisors will be responsible for making decisions regarding the timing of buying or selling an investment and the price at which the investment is bought or sold. If a client's accounts are managed on a non-discretionary basis, it is important to understand that if the firm is not able to reach the client, or the client is slow to respond to the firm's request, it can have an adverse impact on the timing of trade implementations and the firm may not achieve the optimal trading price.

The client will have the ability to place reasonable restrictions on the types of investments that may be purchased in the Account. The client may also place reasonable limitations on the discretionary power

granted to Nelson Capital Advisors so long as the limitations are specifically set forth or included as an attachment to the client agreement.

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

Nelson Capital Advisors does not vote proxies on behalf of Clients. The firm has determined that taking on the responsibilities for voting client securities does not add enough value to the services provided to clients to justify the additional compliance and regulatory costs associated with voting client securities. Therefore, it is the client's responsibility to vote all proxies for securities held in Account.

Clients will receive proxies directly from the qualified custodian or transfer agent; Nelson Capital Advisors will not provide the client with the proxies. Clients are encouraged to read through the information provided with the proxy-voting documents and make a determination based on the information provided.

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

This *Item 18* is not applicable to this brochure. Nelson Capital Advisors does not require or solicit prepayment of more than \$1200 in fees per client, six months or more in advance. Therefore, the firm is not required to include a balance sheet for the most recent fiscal year. Nelson Capital Advisors is not subject to a financial condition that is reasonably likely to impair the firm's ability to meet contractual commitments to clients. Finally, Nelson Capital Advisors has not been the subject of a bankruptcy petition at any time.

### **Customer Privacy Policy Notice**

**Commitment to Your Private Information:** Nelson Capital Advisors has a policy of protecting the confidentiality and security of information the firm collects about its clients. Nelson Capital Advisors does not, and will not, share non-public personal information ("Information") about clients with outside third parties without client consent, except for the specific purposes described below. This notice has been provided to describe the Information Nelson Capital Advisors may gather and the situations under which the firm may need to share it.

**Why We Collect and How We Use Information.** Nelson Capital Advisors limits the collection and use of Information within the firm to only those individuals associated or employed with the firm that must have Information to provide financial services to clients. Such services include maintaining accounts, processing transaction requests, and providing the advisory services described in the firm's Form ADV.

**How We Gather Information.** Nelson Capital Advisors gets most Information directly from clients when the client provides the firm with information from any of the following sources:

- Applications or forms (for example: name, address, tax identification number, assets, income, financial history)
- Transactional activity in client accounts (for example: trading history and account balances)
- Information services and reporting sources
- Other sources with client consent (for example: the client's attorney or accountant)

**How We Protect Information.** Nelson Capital Advisors' employees and affiliated persons are required to protect the confidentiality of Information and to comply with the firm's stated policies. They may access Information only when there is an acceptable reason to do so, such as to service client accounts or provide clients with financial services. Employees who violate the firm's Privacy Policy are subject to disciplinary action, up to and including termination from employment with the firm. Nelson Capital Advisors also maintains physical, electronic and procedural safeguards to protect Information, which comply with applicable SEC, state, and federal laws.

**Sharing Information with Other Companies Permitted Under Law.** Nelson Capital Advisors does not disclose Information obtained in the course of our practice except as required or permitted under law. Permitted disclosures include, for instance, providing Information to unrelated third parties who need to know such Information in order to assist us with the provision of services to clients. Unrelated third parties may include broker/dealers, mutual fund companies, and the custodian with which a client's assets are held. In such situations, we stress the confidential nature of Information being shared.

**Former Customers.** Even if Nelson Capital Advisors ceases to provide a client with financial products or services, our Privacy Policy will continue to apply to the client and we will continue to treat a client's non-public information with strict confidentiality.

### **Business Continuity Plan**

Nelson Capital Advisors has a business continuity and contingency plan in place designed to respond to significant business disruptions. These disruptions can be both internal and external. Internal disruptions will impact the firm's ability to communicate and do business, such as a fire in the office building. External disruptions will prevent the operation of the securities markets or the operations of a number of firms, such as earthquakes, wildfires, hurricanes, terrorist attack or other wide-scale, regional disruptions.

The firm's continuity and contingency plan has been developed to safeguard employees' lives and firm property, to allow a method of making financial and operational assessments, to quickly recover and resume business operations, to protect books and records, and to allow clients to continue transacting business.

The plan includes the following:

- Alternate locations to conduct business;
- Hard and electronic back-ups of records;
- Alternative means of communications with employees, clients, critical business constituents and regulators; and
- Details on the firms' employee succession plan

Nelson Capital Advisors' business continuity and contingency plan is reviewed and updated on a regular basis to ensure that the policies in place are sufficient and operational.