



SWBC Investment Company

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Firm Brochure (Form ADV Part 2A)

March 30, 2021

This brochure provides information about the qualifications and business practices of SWBC Investment Company. If you have any questions about the contents of this brochure, please contact us at 800-527-0066; or, InvCompliance@swbc.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.

SWBC Investment Company is a registered investment adviser. Registration with the United States Securities and Exchange Commission ("SEC") or any state securities authority does not imply a certain level of skill or training.

Additional information about SWBC Investment Company is available on the SEC's website at www.adviserinfo.sec.gov.

Item 2 Summary of Material Changes

This Item 2 discloses material changes that have been made to this Brochure since the last annual update filed March 30, 2020.

Since our last annual update of this Brochure filed March 30, 2020, we have updated this Form ADV Part 2A for grammar, style and readability. The only material change we have made to a business practice is with regard to billing, inclusion of additional services and approved custodians. Previously, we had billed clients prospectively. Going forward, we will bill in advance or arrears subject to program type, all programs are subject to prorated calculations for deposits or withdrawals transacted within a quarter.

SWBC is also setup to serve client through multiple custodians and products offerings such as sub-advisory services and private placement offerings. SWBC serves as subadviser to the AlphaCentric Municipal Opportunities Fund (the "Fund"), a series under the Mutual Fund Series Trust (the "Trust"), an open-end investment company registered with the Securities and Exchange Commission (the "SEC") under the Investment Company Act of 1940, as amended (the "1940 Act").

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Item 4 Advisory Business

Description of Firm

SWBC Investment Company ("SWBC" or "Firm") is a Texas corporation, headquartered in San Antonio, TX. We are part of the SWBC Corporation group of financial services companies, and controlled by Charles Amato and Gary Dudley. Since 2007, we have been registered with the Securities and Exchange Commission as an investment adviser ("RIA").

SWBC Investment Company delivers financial advice, manage portfolios and construct financial plans, etc. through "Investment Adviser Representatives" or "IARs". Typically, RIAs charge a fee for service, generally a percentage of an account's value or consultation fees (hourly or fixed). RIAs & IARs operate under the fiduciary standard and an RIA's fees are overtly disclosed in a bill presented to the client physically or electronically.

SWBC Corporation owns solely and entirely SWBC Investment Services, LLC, a securities broker / dealer ("B/D"), a member of the Financial Industry Regulatory Authority ("FINRA") and a member of the Securities Investor Protection Corporation ("SIPC"). The natural persons who offer the services of a B/D are "Registered Representatives" or "RRs" of their respective B/Ds. B/Ds and RRs operate under a best interest standard, which suggests that each representative of SWBC must act in the clients' best interest without tailoring services benefiting only the Firm. B/Ds are primarily compensated for facilitating transactions --- commissions when acting in the broker capacity, mark-ups and mark-downs when acting in the dealer capacity. B/Ds also earn concessions from investment sponsors for distributing that sponsor's investment products.

This Brochure discusses the **Retail Services**, except for **SWBC Wrap Fee Program** and **Vault Program**, which are described in detail within separate disclosure brochures: **SWBC Wrap Fee Program Brochure**, Form ADV Part 2A, Appendix 1; and **Vault Program Brochure**, Form ADV Part 2A Brochure.

Persons interested in additional information about these programs, should contact their SWBC investment adviser representative ("Representative"), or contact SWBC at the contact information on the front of this Brochure; or click the link to the SEC's website on the front of this Brochure and use our firm CRD number to locate the disclosure brochure you desire.

SWBC Corporation has subsidiaries in the insurance business, both as a creator of insurance products ("proprietary") and a distribution channel for insurance products created by others ("agency"). Generally speaking, the natural persons offering insurance products to the public are licensed in their respective States and are known as "Licensed Producers". Because of the large number of regulatory jurisdictions, the standard of care owed to the consumer is not as specifically defined as for securities' investors. Nonetheless, consumers are entitled to professionalism, fair dealing and honesty and under no obligation to purchase products from such subsidiaries.

Natural persons employed by affiliates of SWBC Corporation may be licensed / registered in more than one professional capacity. For example, an individual may be an IAR of SWBC Corporation's RIA subsidiary. The very same person may also be an RR of SWBC Corporation's B/D subsidiary. Further, that same individual may also be a licensed insurance producer with an SWBC Corporation insurance subsidiary. Any client / prospective client is hereby advised that the ability of a single person to fill numerous roles creates a) potential conflicts of interest and b) potential for consumer misunderstanding.

As an organization, SWBC is committed to consumer sovereignty and transparency. We want to deliver services to clients under the arrangement preferred by the client. We also want the client to be aware of the capacity in which each SWBC financial professional is acting at the time of any

transaction or of any professional engagement.

The following paragraphs describe our services and fees. Refer to the description of each investment advisory service listed below for information on how we tailor our advisory services to your individual needs. As used in this Form ADV2A, the words "we," "our," and "us" refer to SWBC Investment Company and the words "you," "your," and "client" refer to you as either a client or prospective client of the Firm.

Portfolio Management Services

As part of our portfolio management services, we can manage your portfolio internally or use one or more sub-advisers to manage a portion of your financial assets. The sub-adviser(s) may use one or more of their model portfolios to manage your account. We will regularly monitor the performance of your accounts managed by sub-adviser(s). We will share a portion of the advisory fee you pay with the sub-adviser(s); however, you will not pay the Firm a higher advisory fee as a result of our use of any sub-advisers.

As part of our portfolio management services, in addition to other types of investments (see disclosures below in this section), we may invest your assets according to one or more model portfolios developed by an unaffiliated investment manager. These models are designed for investors with varying degrees of risk tolerance, ranging from more aggressive investment strategies to more conservative investment strategies. Clients whose assets are invested in model portfolios may not set restrictions on the specific holdings or allocations within the model, nor the types of securities that can be purchased in the model.

In providing account management services, we can accept client restrictions on the specific securities or the types of securities that may be purchased for your account. However, at our direction, we can select sub-advisers specializing in portfolios that may avoid "sin stocks" and/or invest according to environmental, social and governance ("ESG") principles approved by the client.

As an institution, SWBC Corporation prides itself on its customer centric focus. That is, SWBC Corporation is determined to deliver goods and services to its clients / customers in the manner preferred by the client / customer. The financial services industry is among the most rapidly evolving and innovative industries in the world. Advances in technology, communications and the science of asset management have created new delivery channels for financial advice. Among these investment options is so called "robo advice". Robo advice is characterized by less personal service; but, lower costs, lower account minimums and algorithmic implementation.

The highly automated, electronic delivery option available through SWBC Investment Company, SWBC's Vault Program ® ("Vault Program") is offered **only** online through an interactive website, and, as part of the Vault Program, you agree to accept electronic delivery of contracts, disclosure documents, prospectuses, statements, and other materials. The Vault Program is only available to residents of the U.S., and is not available to foreign investors (individuals or entities) or U.S. citizens residing outside of the U.S. Regular and continuous Internet access is required to enroll in the Service and to access all Vault Program-related documents. You should not invest if you do not have regular and continuous Internet access. The Vault Program is a discretionary investment management service designed for individual investors with accounts of \$5,000 or more.

When you enroll in the Vault Program, you will provide financial profiling information through the Vault Program website, including but is not limited to, investment objective, risk tolerance, and investment time horizon. We will rely on your responses to determine a recommendation of an asset allocation

models. Our recommendation of a Model is conducted via an algorithmic process that assesses values to some of the answers you provide during the account establishment process. The Vault Program will generally implement investment allocations using funds that have a lower-than-average net expense ratio compared with funds in the same fund asset class ("Low-Cost Funds"). Low-Cost Funds will generally be open ended mutual funds and/or exchange-traded funds.

Throughout this document, SWBC Investment Company discusses its use of sub-advisers and third-party money managers. The SWBC Vault Program may be implemented "in house" by SWBC Investment Company employees; or, we may choose to use sub-advisers and third-party money managers. In any case, our use of sub-advisers and third-party money managers will not raise the cost borne by the client. Reference the SWBC VAULT Program Brochure for more information.

Financial Planning Services

We offer financial planning services which typically involve providing a variety of advisory services to clients regarding the management of their financial resources based upon an analysis of their individual needs. These services can range from broad-based financial planning to consultative or single subject planning. If you retain our firm for financial planning services, we will gather information about your financial circumstances and objectives. We may also use financial planning software to determine your current financial position and to define and quantify your long-term goals and objectives. Once we specify those long-term objectives (both financial and non-financial), we will develop shorter-term, targeted objectives. Once we review and analyze the information you provide to us and the data derived from our financial planning software, we will deliver a written plan to you, designed to help you achieve your stated financial goals and objectives.

Financial plans are based on your financial situation at the time we present the plan to you, and on the financial information you provide to us. You must promptly notify us if your financial situation, goals, objectives or needs change.

You are under no obligation to act on our financial planning recommendations. Should you choose to act on any of our recommendations, you are not obligated to implement the financial plan through any of our other investment advisory services. Moreover, you may act on our recommendations by placing securities transactions with any brokerage firm.

Selection of Other Advisers

We may recommend that you use the services of a third party money manager ("TPMM") to manage all, or a portion of, your investment portfolio. After gathering information about your financial situation and objectives, we may recommend that you engage a specific TPMM or investment program. Factors that we take into consideration when making our recommendation(s) include, but are not limited to, the following: the TPMM's performance, methods of analysis, fees, your financial needs, investment goals, risk tolerance, and investment objectives. We will monitor the TPMM(s)' performance to ensure its management and investment style remains aligned with your investment goals and objectives.

Pension Consulting Services

Our affiliate, SWBC Investment Advisory Services, LLC (common ownership and control) offers pension consulting services to employee benefit plans, their fiduciaries and their sponsors.

The Firm, certain of its IARs and certain of the RRs of our affiliated B/D may also assist with participant enrollment meetings and provide investment-related educational seminars to plan participants on such topics as:

- Diversification;
- Asset allocation;

- Risk tolerance; and
- Time horizon

Please see Form ADV 2A, Item 10 below for a more detailed discussion.

Wrap Fee Program(s)

We are a portfolio manager to and sponsor of a wrap fee program which is a type of investment program that provides clients with access to several money managers or mutual fund asset allocation models for a single fee. That fee includes administrative fees, management fees and commissions. If you participate in our wrap fee program, you will pay the Firm a single fee which includes our investment management fees, certain transaction costs, custodial and administrative costs. The Firm will receive a portion of the wrap fee for our services. The overall cost you will incur if you participate in our wrap fee program may be higher or lower than you might incur by separately purchasing investment advisory services in a non-wrap fee format.

In order to participate in the wrap fee program sponsored by the Firm, you will be required to transact through one of our approved Custodians such as, however not limited to, our affiliated Broker / Dealer, SWBC Investment Services, LLC, member of the Financial Industry Regulatory Authority and the Securities Investor Protection Corporation, or TD Ameritrade Institutional, a division of TD Ameritrade, Inc. member FINRA/SIPC. TD Ameritrade is an independent SEC registered broker-dealer. TD Ameritrade and the Firm are separate and unaffiliated entities. To compare the cost of the wrap fee program with non-wrap fee alternatives, you should consider the frequency of trading activity associated with your planned investment strategies and the brokerage commissions charged by other broker-dealers and the advisory fees charged by investment advisers. For more information concerning the Firm's wrap fee programs, see Appendix 1 to this Form ADV 2A.

Types of Investments

We offer advice on ETF's, equities, mutual funds, options and fixed income.

Additionally, we may advise you on various types of investments based on your stated goals and objectives. We may also provide advice on any type of investment held in your portfolio at the inception of our advisory relationship.

Since our investment strategies and advice are based on each client's specific financial situation, the investment advice we provide to you may be different or conflicting with the advice we give to other clients regarding the same security or investment.

Finally, for those of our clients who are "Accredited Investors", the Firm may provide investment advice with respect to "Securities Exempt from Registration under Regulation D", generally speaking, "private placements". Some of these private placement investments may be sponsored by affiliates of the Firm. Others may be sponsored by unaffiliated third-parties. Please be advised that an inherent conflict of interest exists when the Firm advises a client to invest in a private placements sponsored by an affiliated entity (such as another SWBC enterprise under common control and ownership with the Firm).

Subadviser to Mutual Fund

AlphaCentric Advisors, LLC ("AlphaCentric" or "Fund Adviser" or "Adviser"), is the investment adviser to the AlphaCentric Funds (the "AlphaCentric Funds"), a group of separate series under the Trust, an open-end investment company, registered under the 1940 Act. The Fund has three classes of shares,

“I”, “A” and “C” classes, and a 12b-1 distribution plan, which provides for a 0.25%, 0.25% and 1.00% distribution and service fee for the “A”, “I” and “C” share classes respectively. Sales charges have been established with respect to the share classes, as follows: The “A” classes of shares will have a maximum front-end sales charge of 4.75% with sales charge breakpoints starting at purchase amounts of \$50,000. The “C” and “I” classes have no sales charges.

Service Providers to the Fund

SWBC and Mount Lucas Management LP, (“Mount Lucas”) each serve as subadviser for the Fund. Using SWBC’s experience in the municipal bond markets, the Fund seeks to achieve its investment objective by investing primarily in municipal securities that are exempt from regular federal individual income taxes, but without regard to the alternative minimum tax (AMT). Under normal market conditions, the Fund will invest at least 80% of its net assets (plus borrowings for investment purposes) in municipal securities (directly or through underlying funds) that are exempt from regular federal income tax. The Fund’s investment objective is to provide income exempt from federal income tax with capital appreciation as a secondary objective.

The Fund’s other subadviser, Mount Lucas, expects to implement an overlay strategy in which the Fund invests in derivatives to gain exposure to sovereign debt and corporate credit entities. A minimum of 25% of the securities held by the Fund will be invested in investment grade bonds and up to 75% of the securities the Fund buys may be high-yield below investment-grade securities (also known as “junk” bonds). Of the 75% lower grade fixed income securities, the Fund may buy up to 25% of the net assets of the fund in non-rated municipal bonds. Below-investment-grade debt securities are those rated below “BBB-” by S&P Global Ratings or “Baa3” by Moody’s or comparable ratings by other nationally recognized statistical rating organizations (or, in the case of unrated securities, determined by the Fund’s Municipal Sub-Advisor (as defined below) to be comparable to securities rated below investment-grade). The Fund may buy bonds of any rating, including unrated bonds, and may invest in bonds that are in default. To the extent the Fund invests in pre-refunded municipal securities collateralized by U.S. government securities, the Fund may treat those securities as investment-grade (AAA) securities even if the issuer itself has a below-investment-grade rating. The Fund may invest up to 15% of the Fund’s net assets in securities that have legal or contractual restrictions on resale or are otherwise illiquid.

The Fund can invest in the inverse floater residual certificates of Tender Option Bond Trusts (“TOB Residuals”), a variable rate obligation and form of derivative, to seek increased income and return. The Fund’s investment in inverse floaters entails a degree of economic leverage which is the indirect leverage embedded in the investment that results in greater gains or losses on the investment without an obligation on the Fund above its initial investment. The Fund can expose up to 35% of its total assets to the effects of leverage from its investments in inverse floaters.

In selecting securities for the Fund, the portfolio managers look at a wide range of municipal sectors, coupons, and revenue sources for high-yield, tax-exempt municipal securities that offer high-income opportunities, might be overlooked by other investors and funds (including unrated securities or securities of smaller issuers), or are special situations that provide opportunities for value. The portfolio managers may consider selling a security if any of these factors no longer applies to a security purchased for the Fund but are not required to do so.

For more information on the investment objective, principal risks, and fees associated with the Fund, please see the Fund’s prospectus and SAI, which are available from the AlphaCentric website at www.AlphaCentricFunds.com

Assets Under Management

As of December 31, 2020, we provide continuous management services for \$180,308,000 in client assets on a discretionary basis.

Item 5 Fees and Compensation

SWBC Private Client Services

Fees for investment advisory services are a percentage of assets under management, assessed quarterly in advance or arrears depending on the program type based on the accounts ending value at quarter end. Advisory fees paid to SWBC Investment Company are separate and distinct from other costs to the client such as brokerage commissions and/or the costs inherent in co-mingled investment products such as mutual funds and exchange traded funds (i.e. expense ratios, etc.).

Fees are charged as a percentage of the assets under management and

negotiated however; the maximum fees are referenced below:

Asset Based Advisory Accounts

<i>Asset Value:</i>	<i>Maximum Annual Fee</i>	<i>Maximum Quarterly Fee</i>
<i>\$ 0 to \$ 249,999</i>	<i>2.50%</i>	<i>0.6250%</i>
<i>\$ 250,000 to \$ 499,999</i>	<i>2.40%</i>	<i>0.6000%</i>
<i>\$ 500,000 to \$ 999,999</i>	<i>2.30%</i>	<i>0.5750%</i>
<i>\$ 1,000,000 to \$ 1,999,999</i>	<i>2.20%</i>	<i>0.5500%</i>
<i>\$ 2,000,000 to \$ 4,999,999</i>	<i>2.10%</i>	<i>0.5250%</i>
<i>\$5,000,000 or more</i>	<i>2.00%</i>	<i>0.5000%</i>

Fees are payable in advance or arrears depending on the program type. Fees are negotiable. Fees will be pro-rated for time periods less than one quarter and adjusted for capital flows into or out of an account. The fees charged by the Firm will be deducted from a client's account by the account's custodian and remitted directly to the Firm. The client will provide the custodian with written instructions to accept, regard as accurate and to comply with the Firm's instruction to remit payment for services rendered.

Third Party money managers

SWBC has access to over 200 third party money managers to which it may refer clients for investment programs. Representative will help the client select those programs most suitable for the client's stated financial goals within the client's known risk tolerance. Clients whose accounts are managed by SWBC on a non-discretionary basis should be aware that third-party managers require authority to manage client accounts on a discretionary basis. The third-party managers will establish their own fees and any requirements for minimum annual fees and minimum account size, which may range up to \$1,000,000.

Financial Planning Fee Schedule

\$1,000.00 - \$10,000.00 - Full Plan (determined by current plans in place and complexity of estate and assets) - payable at the time of engagement. Plan will be delivered promptly, subject to the clients delivery of the necessary data inputs to the plan.

\$500.00 - minimum for modular plans - fully payable at the time of engagement.

\$250.00 - \$5,000.00 - Annual, semi-annual, quarterly, or monthly retainer for financial planning and

consultation services. Hourly Planning Fee- \$75.00 - \$250.00 – subject to a 5 hour retainer paid at the time of engagement.

These services will vary per the individual IAR and will be specified in a written agreement between the Firm and the client prior to any services, specifying those services and the agreed-upon fee.

As a part of financial planning, certain IARs may also provide financial and investment advice in areas that are not securities or investments. These may include aspects of estate and tax planning, realty / mortgage planning and/or education planning.

The various portfolio money managers hired by third party service providers for its investment model platforms may present different methods of analysis and may use different sources of information in selecting the securities to construct the platform.

SWBC Investment Company's advisory representatives, in turn, review the portfolio structures assembled by those third party managers for suitable application to the stated financial needs and goals of its own clients.

Either party to an advisory agreement for SWBC Investment Company services may terminate that agreement with five (5) days' written notice to the other. A pro-rata refund will be made of any pre-paid fees for termination prior to the end of a period.

SWBC Institutional Advisory Services

Fees are calculated on a percentage of the size of the investment portfolio value as either reported by an independent pricing service, reported by the client on its regulatory report (e.g. NCUA 5300 call report or similar report) or as otherwise agreed upon between the adviser and the client. The fees change as the investment portfolio increases and decreases asset size.

SWBC Investment Company's maximum annual fees, based upon the total investment portfolio size under the advisory agreement, are as follows:

Investment Portfolio Value	Maximum Annual Fee
Less than \$25 million	25.0 basis points
\$25,000,001 to \$50,000,000	20.0 basis points
\$50,000,001 to \$75,000,000	18.0 basis points
\$75,000,001 to \$100,000,000	15.0 basis points
\$100,000,001 to \$150,000,000	10.0 basis points
More than \$150,000,000	8.0 basis points (0.080%)

Fees are negotiable on a case by case basis and may be lower than the maximum limit listed above. The fee negotiated between the adviser and the client will vary based on the value, composition and complexity of the assets under management and specific services provided the client.

Fees will be payable periodically (but no more frequent than monthly) in advance based upon the market value of the Portfolio on the last day of the prior reporting period. Fees shall be determined by reference to the valuations provided by or available from Custodian. If the last trading day of a calendar quarter or other period for which fees are calculated is different than the last day of a custodian's reporting or statement period, we may value assets maintained by such Custodian as of the close of the Custodian's reporting or statement period, as we shall select on a consistent basis for each

Custodian.

Client agrees that Advisor may change the fee schedule upon 30 days advance written notice to Client. The fees charged for Services may be deducted from Client's account by a Custodian or billed directly to Client. If fees are to be deducted from a Custodian account, Client will provide the Custodian with any additional written direction, as Custodian shall request, to evidence SWBC's authority to have fees deducted upon notice and from the client's account to Advisor.

Either party to an advisory agreement for SWBC Investment Company services may terminate that agreement with five (5) days' written notice to the other. A pro-rata refund will be made of any pre-paid fees for termination prior to the end of a period.

Advisory fees paid to Advisor are separate and distinct from other costs to Client such as brokerage commissions or other, investment-related management fees. If Client's portfolio includes mutual funds or other investment companies, these shares will be included in calculating the value of Client's Portfolio when Advisor's fees are determined. Client understands that the same assets will also be subject to additional advisory and other fees and expenses, which are described in the prospectuses of those funds, paid by the funds but ultimately borne by Client. The advisory fee may be included within a "Wrap Fee" program that includes the brokerage costs.

Advisor and its representatives shall not be compensated on the basis of a share of capital gains upon or capital appreciation of the Portfolio or any portion thereof.

Compensation for the Sale of Securities or Other Investment Products

Certain IARs of the Firm are also RRs of the Firm's affiliated B/D, SWBC Investment Services, LLC. In their capacities as RRs, these persons receive compensation in connection with the purchase and sale of securities or other investment products, including asset-based sales charges, service fees or 12b-1 fees, for the sale or holding, of mutual funds. Compensation earned by these persons in their capacities as RRs is separate and in addition to the Firm's advisory fees. This presents a conflict of interest. Persons providing investment advice to advisory clients on behalf of the Firm who are also RRs of our affiliated B/D have an incentive to recommend investment products based on the compensation received, rather than solely based on client needs. Persons providing investment advice to advisory clients on behalf of our firm can select or recommend, and in many instances will select or recommend, mutual fund investments in share classes that pay 12b-1 fees when clients are eligible to purchase share classes of the same funds that do not pay such fees and are less expensive. This presents a conflict of interest. You are under no obligation, contractually or otherwise, to purchase securities products through any person affiliated with our firm who receives compensation described above.

Fees for Services as Subadviser to Fund

Pursuant to the Sub-Advisory Agreement, for its services it performs and the expenses it agrees to bear, the Adviser agrees to pay the Sub-Adviser a fee equal to 40% of the "net advisory fees" paid by the Fund to the Adviser. "Net advisory fees" are defined as management fees less fee waivers due to the expense caps and any extraordinary expenses related to the management and sponsorship of the Fund, including but not limited to, regulatory, litigation and legal expenses.

SWBC, as sub-adviser, must bear all expenses (including without limitation the compensation of all trustees or officers of the Trust, if any, who are "interested persons" of the Sub-Adviser, as defined in the 1940 Act) incurred by it in connection with its activities under the Sub-Advisory Agreement other than the cost of securities and investments purchased or sold for the Fund (including taxes and brokerage commissions, if any).

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

We do not accept performance-based fees or participate in side-by-side management. Performance-based fees are fees that are based on a share of capital appreciation of a client's account. Side-by-side management refers to the practice of managing accounts that are charged performance-based fees while at the same time managing accounts that are not charged performance-based fees. Our fees are calculated as described in the *Fees and Compensation* section above, and are not charged on the basis of a share of capital appreciation.

Item 7 Types of Clients

We provide investment advisory services to individuals, high net worth individuals, banking or thrift institutions, charitable organizations and corporations or other businesses.

In general, we do not require a minimum dollar amount to open and maintain an advisory account; however, we have the right to terminate your Account if it falls below a minimum size which, in our sole opinion, is too small to manage effectively. Third-party money managers and third-party programs may impose a minimum account size or minimum fee, which SWBC does not control, which may be as high as \$1,000,000. Refer to the Fund's prospectus for information regarding SWBC's fees and expenses for serving as sub-adviser.

Neither SWBC nor any of its supervised persons accept compensation for the sale of securities or other investment products, including asset-based sales charges or service fees from the sale of mutual funds. Certain SWBC associates receive compensation based in part on gross sales and assets under management of SWBC's investment programs and the Fund. This compensation received by those associates is structured so that it does not incentivize the sale of any given product over another.

Clients should review all fees charged by SWBC, brokers, custodians, and others to fully understand the total amount of fees incurred. Review the Fund prospectus for information regarding minimum investments and fees.

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

Please refer to the Fund prospectus and SAI for information on the investment strategy and methodology of the Fund.

Our Methods of Analysis and Investment Strategies

We may use one or more of the following methods of analysis or investment strategies when providing investment advice to you:

Charting Analysis - involves the gathering and processing of price and volume pattern information for a particular security, sector, broad index or commodity. This price and volume pattern information is analyzed. The resulting pattern and correlation data is used to detect departures from expected performance and diversification and predict future price movements and trends.

Risk: Our charting analysis may not accurately detect anomalies or predict future price movements. Current prices of securities may reflect all information known about the security and day-to-day changes in market prices of securities may follow random patterns and may not be predictable with any reliable degree of accuracy.

Technical Analysis - involves studying past price patterns, trends and interrelationships in the financial markets to assess risk-adjusted performance and predict the direction of both the overall market and specific securities.

Risk: The risk of market timing based on technical analysis is that our analysis may not accurately detect anomalies or predict future price movements. Current prices of securities may reflect all information known about the security and day-to-day changes in market prices of securities may follow random patterns and may not be predictable with any reliable degree of accuracy.

Fundamental Analysis - involves analyzing individual companies and their industry groups, such as a company's financial statements, details regarding the company's product line, the experience and expertise of the company's management, and the outlook for the company and its industry. The resulting data is used to measure the true value of the company's stock compared to the current market value.

Risk: The risk of fundamental analysis is that information obtained may be incorrect and the analysis may not provide an accurate estimate of earnings, which may be the basis for a stock's value. If securities prices adjust rapidly to new information, utilizing fundamental analysis may not result in favorable performance.

Cyclical Analysis - a type of technical analysis that involves evaluating recurring price patterns and trends. Economic/business cycles may not be predictable and may have many fluctuations between long-term expansions and contractions.

Risk: The lengths of economic cycles may be difficult to predict with accuracy and therefore the risk of cyclical analysis is the difficulty in predicting economic trends and consequently the changing value of securities that would be affected by these changing trends.

Long-Term Purchases - securities purchased with the expectation that the value of those securities will grow over a relatively long period of time, generally greater than one year.

Risk: Using a long-term purchase strategy generally assumes the financial markets will go up in the long-term which may not be the case. There is also the risk that the segment of the market that you are invested in or perhaps just your particular investment will go down over time even if the overall financial markets advance. Purchasing investments long-term may create an opportunity cost - "locking-up" assets that may be better utilized in the short-term in other investments.

Short-Term Purchases - securities purchased with the expectation that they will be sold within a relatively short period of time, generally less than one year, to take advantage of the securities' short-term price fluctuations.

Risk: Using a short-term purchase strategy generally assumes that we can predict how financial markets will perform in the short-term which may be very difficult and will incur a disproportionately higher amount of transaction costs compared to long-term trading. There are many factors that can affect financial market performance in the short-term (such as short-term interest rate changes, cyclical earnings announcements, etc.) but may have a smaller impact over longer periods of times.

Margin Transactions - a securities transaction in which an investor borrows money to purchase a security, in which case the security serves as collateral on the loan.

Risk: If the value of the shares drops sufficiently, the investor will be required to either deposit more cash into the account or sell a portion of the stock in order to maintain the margin requirements of the account. This is known as a "margin call." An investor's overall risk includes the amount of money invested plus the amount that was loaned to them.

Option Writing - a securities transaction that involves selling an option. An option is a contract that gives the buyer the right, but not the obligation, to buy or sell a particular security at a specified price

on or before the expiration date of the option. When an investor sells a call option, he or she must deliver to the buyer a specified number of shares if the buyer exercises the option. When an investor sells a put option, he or she must pay the strike price per share if the buyer exercises the option, and will receive the specified number of shares. The option writer/seller receives a premium (the market price of the option at a particular time) in exchange for writing the option.

Risk: Options are complex investments and can be very risky, especially if the investor does not own the underlying stock. In certain situations, an investor's risk can be unlimited.

Trading - We may use frequent trading (in general, selling securities within 30 days of purchasing the same securities) as an investment strategy when managing your account(s). Frequent trading is not a fundamental part of our overall investment strategy, but we may use this strategy occasionally when we determine that it is suitable given your stated investment objectives and tolerance for risk. This may include buying and selling securities frequently in an effort to capture significant market gains and avoid significant losses.

Risk: When a frequent trading policy is in effect, there is a risk that investment performance within your account may be negatively affected, particularly through increased brokerage and other transactional costs and taxes.

Our investment strategies and advice may vary depending upon each client's specific financial situation. As such, we determine investments and allocations based upon your predefined objectives, risk tolerance, time horizon, financial information, liquidity needs and other various suitability factors. Your restrictions and guidelines may affect the composition of your portfolio. **It is important that you notify us immediately with respect to any material changes to your financial circumstances, including for example, a change in your current or expected income level, tax circumstances, or employment status.**

Tax Considerations

Our strategies and investments may have unique and significant tax implications. However, unless we specifically agree otherwise, and in writing, tax efficiency is not our primary consideration in the management of your assets. Regardless of your account size or any other factors, we strongly recommend that you consult with a tax professional regarding the investing of your assets.

Custodians and broker-dealers must report the cost basis of equities acquired in client accounts. Your custodian will default to the First-In First-Out ("FIFO") accounting method for calculating the cost basis of your investments. You are responsible for contacting your tax advisor to determine if this accounting method is the right choice for you. If your tax advisor believes another accounting method is more advantageous, provide written notice to our firm immediately and we will alert your account custodian of your individually selected accounting method. Decisions about cost basis accounting methods will need to be made before trades settle, as the cost basis method cannot be changed after settlement.

Risk of Loss

Investing in securities involves risk of loss that you should be prepared to bear. We do not represent or guarantee that our services or methods of analysis can or will predict future results, successfully identify market tops or bottoms, or insulate clients from losses due to market corrections or declines. We cannot offer any guarantees or promises that your financial goals and objectives will be met. Past performance is in no way an indication of future performance.

Other Risk Considerations

When evaluating risk, financial loss may be viewed differently by each client and may depend on many different risks, each of which may affect the probability and magnitude of any potential losses. The following risks may not be all-inclusive, but should be considered carefully by a prospective client

before retaining our services.

Liquidity Risk: The risk of being unable to sell your investment at a fair price at a given time due to high volatility or lack of active liquid markets. You may receive a lower price or it may not be possible to sell the investment at all.

Credit Risk: Credit risk typically applies to debt investments such as corporate, municipal, and sovereign fixed income or bonds. A bond issuing entity can experience a credit event that could impair or erase the value of an issuer's securities held by a client.

Inflation and Interest Rate Risk: Security prices and portfolio returns will likely vary in response to changes in inflation and interest rates. Inflation causes the value of future dollars to be worth less and may reduce the purchasing power of a client's future interest payments and principal. Inflation also generally leads to higher interest rates which may cause the value of many types of fixed income investments to decline.

Horizon and Longevity Risk: The risk that your investment horizon is shortened because of an unforeseen event, for example, the loss of your job. This may force you to sell investments that you were expecting to hold for the long term. If you must sell at a time that the markets are down, you may lose money. Longevity Risk is the risk of outliving your savings. This risk is particularly relevant for people who are retired, or are nearing retirement.

Recommendation of Particular Types of Securities

We recommend various types of securities and we do not primarily recommend one particular type of security over another since each client has different needs and different tolerance for risk. Each type of security has its own unique set of risks associated with it and it would not be possible to list here all of the specific risks of every type of investment. Even within the same type of investment, risks can vary widely. However, in very general terms, the higher the anticipated return of an investment, the higher the risk of loss associated with the investment. A description of the types of securities we may recommend to you and some of their inherent risks are provided below.

Item 9 Disciplinary Information

Registered Investment Advisors (RIA's) are required to disclose all material facts regarding any legal or disciplinary events that would be material to your evaluation of our firm. SWBC Investment Company has no information applicable to this item.

Item 10 Other Financial Industry Activities and Affiliations

A. Registration as Broker-Dealer and Registered Representatives

We are affiliated with SWBC Investment Services, LLC ("SWBC-BD") through common control and ownership. SWBC-BD is a securities broker-dealer and a member of the Financial Industry Regulatory Authority and the Securities Investor Protection Corporation. SWBC's management employees (who are also registered as registered representatives) and virtually all investment adviser representatives of SWBC are registered as broker-dealer registered representatives of SWBC-BD ("Representatives"). Refer to the disclosure in Item 10.C. below for further information.

B. Registered or Application as Futures Commission Merchant, Commodity Pool Operator, or Other Registration Category

No disclosures pursuant to this Item.

C. Material Arrangements with Related Person Broker-Dealers, Investment Advisers, or

Insurance Agencies

We are affiliated with SWBC-BD through common control and ownership. SWBC-BD is a securities broker-dealer and a member of the Financial Industry Regulatory Authority and the Securities Investor Protection Corporation. Persons providing investment advice on behalf of our firm, including our management persons, are also registered representatives associated with SWBC-BD. In their capacity as registered representatives, these persons will receive commission-based and asset-based sales compensation (including 12b-1 fees from the sale of mutual funds) from the purchase and sale of mutual funds and other securities. Compensation earned by these persons in their capacities as registered representatives is separate from our advisory fees. This practice presents a conflict of interest because persons providing investment advice on behalf of our firm and who are also registered representatives of SWBC-BD have an incentive to effect or recommend securities transactions for the purpose of generating commissions rather than making or recommending securities transaction based solely on your investment needs. See the *Fees and Compensation* section in this brochure for more information on the compensation received by registered representatives who are affiliated with our firm.

We are affiliated with SWBC Investment Advisory Services, LLC ("SWBC Pension Advisor") through common control and ownership. SWBC Pension Advisor is an SEC-registered investment adviser that offers pension consulting services to employee benefit plans, their fiduciaries and their sponsors. We will recommend appropriate services of SWBC Pension Advisor for clients in need of pension consulting services. Our advisory services are separate and distinct from any services provided by SWBC Pension Advisor, and our advisory fees are separate from any fee charged by SWBC Pension Advisor for its services. We have a conflict of interest in referring clients to our affiliate for pension consulting services because we have a financial incentive to recommend our affiliated firm's services. While we believe that the services provided and compensation charged by our affiliated firm are competitive, such services may not be competitive with, and such compensation may be higher than fees charged by, other firms. You are under no obligation to use the services of any other firm we recommend, whether affiliated or otherwise; you may obtain comparable or higher quality services and/or lower fees through other firms.

SWBC-BD is also an insurance agency and persons providing investment advice on behalf of our firm may be licensed as insurance agents. Many Representatives are also licensed to sell life, health, and annuity products and are appointed as agents ("Agents") by various life insurance companies; SWBC-BD is a party to standard agency contracts with life insurance companies which govern compensation from insurance products and renewals. These persons will earn commission-based compensation for selling life, health, and annuity insurance products to you. Insurance compensation earned by these persons in their capacities as insurance agents is separate from our advisory fees. This practice presents a conflict of interest because persons providing investment advice on behalf of our firm and who are also insurance agents of SWBC-BD have an incentive to effect or recommend insurance products for the purpose of generating insurance commissions rather than making or recommending insurance products based solely on your insurance needs.

D. Recommend or Selection of Other Investment Advisers with Material Conflict of Interest

In the *Vault Program*, we engage Geode Capital Management, LLC ("Geode"), as subadviser to manage the accounts of Vault Clients participating in the *Vault Program*. The *Vault Program* is sponsored by National Financial Services, LLC ("NFS"), an indirect wholly-owned subsidiary of FMR LLC ("Fidelity"), through the Fidelity Automated Managed Platform ("AMP Platform" or the "Service"). SWBC is authorized to offer the *Vault Program* to its clients pursuant to SWBC-BD's agreement with NFS (the "AMP Agreement"), which required SWBC to enter into a subadvisory agreement ("Subadviser Agreement") with Geode ("Subadviser") that provides, among other terms:

- Subadviser is authorized to establish a set of asset allocation portfolios ("Models"), determine

the appropriate asset allocation for each Model and manage the assets in each Client's Account on a discretionary basis to correspond to the Model selected for such Account by SWBC ("Adviser") based on Adviser's assessment of the Client's overall investment strategy, investment objectives and investment and risk profile;

- Models will be composed of mutual funds and/or exchange-traded funds that maintain lower-than-average net expense ratios compared with funds in the same fund asset class ("Low- Cost Funds");
- Subadviser will manage each Model and the corresponding assets in each Client Account by investing in Low-Cost Funds comprised of: (i) mutual funds managed by Fidelity ("Fidelity Funds"); and/or (ii) exchange-traded funds ("ETFs") either managed by Fidelity ("Fidelity ETFs") or by unaffiliated investment advisers ("Non-Fidelity ETFs" and, together with Fidelity Funds and Fidelity ETFs, "Funds");
- Some of the Fidelity Funds and/or Fidelity ETFs may be subadvised by Subadviser;
- In selecting Non-Fidelity ETFs, Subadviser will initially select among ETFs advised by BlackRock Investment Management, LLC (or one of its affiliates, collectively "BlackRock"), including iShares® ETFs, provided that if Low-Cost Funds are not then available from BlackRock or Fidelity for any asset class, Geode may select ETFs managed by other third parties;
- Pursuant to a contractual long-term marketing arrangement between Fidelity and BlackRock, Fidelity receives compensation from BlackRock in connection with purchases of BlackRock ETFs used in certain Fidelity investment programs, including the Fidelity Platform;
- Although Subadviser expects that the Models will initially be comprised primarily of Fidelity Funds, Fidelity ETFs, and Funds managed by BlackRock, over time, Subadviser may also invest in Non-Fidelity ETFs, depending on the circumstances. Client is informed that Fidelity will receive compensation from BlackRock in connection with the usage of any BlackRock ETF in Client Accounts; the amounts will be subject to adjustments (the "Adjustments") provided in the Subadviser Agreement related to (i) investment management fees and other underlying fees paid to Fidelity or Geode as a result of investments by Client Accounts in any Fidelity Fund or Fidelity ETF, and (ii) actual distribution fees, shareholder servicing fees, and any other underlying fees or compensation received by Fidelity as a result of investments by the Account in any Non-Fidelity ETF; provided, the Adjustments shall be applied to reduce the calculation of the fees that Clients owe to SWBC for the Vault Program, but only to the extent that SWBC's or SWBC-BD's obligation to NFS (or Fidelity) is likewise reduced;
- Each Adviser Client has the opportunity to impose reasonable restrictions on the management of its Account, and to change such restrictions, by making a request to the Adviser. As a general matter, restrictions may include prohibitions with respect to the purchase of a particular Fund or Funds, provided such restrictions are not inconsistent with the management of the Models, or is not fundamentally inconsistent with the nature or operation of the Fidelity Platform;
- As compensation for its services hereunder, Adviser shall pay Subadviser a subadvisory fee (the "Subadviser Fee") out of the gross management fee paid to Adviser by Vault Clients (the "Gross Management Fee") after application of the Adjustments. SWBC shall also pay NFS an asset-based platform fee in connection with Adviser's and the Vault Clients' use of the AMP Platform (the "AMP Platform Fee") out of the Gross Management Fee as provided in the separate agreement between SWBC-BD and NFS; and

- Geode and Fidelity have agreed to Geode receiving a minimum annual fee (“Minimum Fee”) in connection with the AMP Platform. In the event that Geode’s aggregate, annual Subadviser Fees across all of the accounts it manages in connection with the Fidelity Platform do not exceed the Minimum Fee, then Fidelity will be required to pay the shortfall to Geode. Adviser acknowledges that neither this Minimum Fee nor any shortfall will be charged to Adviser or any Client. Fidelity’s obligation to pay the Minimum Fee to Geode creates an incentive for Fidelity to support utilizing Geode as a subadviser for Adviser and its Adviser’s Clients in connection with the AMP Platform.

Other than the Vault Program, we may recommend that clients use a third party money manager (“TPMM”) based on your needs and suitability. We will not receive separate compensation, directly or indirectly, from the TPMM for recommending that you use their services. Moreover, we do not have any other business relationships with the recommended TPMM(s). Refer to the *Advisory Business* section above for additional disclosures on this topic.

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

Description of Our Code of Ethics

The firm has established the following Code of Ethics that governs a number of conflicts of interest we have when providing advisory services, and it services to establish a standard of conduct for all of our supervised persons based upon fundamental principles of transparency, integrity, honesty, and trust. The Code is designed to ensure we meet our fiduciary obligation to our clients (and prospective clients) and foster a culture of compliance within the firm. The Code is designed to detect and prevent violations of the securities laws. A copy of the Code is available to any client or prospective client upon request by contact the Chief Compliance Officer.

We distribute the Code to each associate at the time of hire, at least annually thereafter, and upon each material change. It is supplemented with annual training and ongoing monitoring of associate activity.

According to our Code, employees (or access persons, to the extent the Code is limited to the obligations under Advisers Act, must:

Report their transactions in reportable securities quarterly and disclose reportable securities holdings annually;

Disclose all securities accounts in which they have a beneficial interest (i.e., they are the account owner or have a present economic interest in the account);

Protect material non-public information;

Not purchase securities in an initial public offering (IPO) and obtain prior approval for participation in private placements;

Receive approval prior to engaging in outside business activities including serving on any Board of Directors of a public company;

Report gifts and business entertainment; and

Certify on an annual basis as to compliance with our Code. If you would like a copy of SWBC’s Code of Ethics, please contact our CCO at the contact address on the front of this Brochure.

These periodic reports shall include at a minimum a complete report of each Access Person’s securities holdings at the time the person becomes an Access Person and at least once a year thereafter. Access persons shall submit quarterly reports of all their personal securities transactions no later than 30 days after the close of the calendar quarter.

Associates shall submit holdings and transaction reports for “reportable securities” in which the

Associate has or acquires any direct or indirect beneficial ownership. All Associates shall obtain the investment adviser's approval before investing in any IPO or private placement.

In adopting this Code of Ethics, the firm also adopts the standard that requires all employees to live up to a standard of ethical conduct based on principles of openness, integrity, honesty and trust.

Participation or Interest in Client Transactions

Neither our firm nor any persons associated with our firm has any material financial interest in client transactions beyond the provision of investment advisory services as disclosed in this brochure.

Management of Multiple Investment Portfolios

SWBC typically makes investment decisions for multiple portfolios using various investment strategies depending upon clients' guidelines and restrictions. However, SWBC and its respective portfolio managers must remain vigilant to the risks of the firm managing number difficult client portfolios at the same time, apparently without a problem, but then to find out that whether due to a discovered conflict or manpower shortage, issues arise, such as allocation of investment opportunities.

When an opportunity is identified, SWBC will make a good faith determination to present such investment opportunity:

- based on several factors including, but not limited to, the source of origination;
- application of SWBC's investment allocation methodology will often result in related accounts receiving an allocation on a non-pro rata basis;;
- these investment management responsibilities create conflicts of interest;
- We seek to conduct ourselves in a manner we consider to be the most fair and consistent with our fiduciary obligations to our clients and make investment decisions and recommendations based on an account's available cash, investment objectives, restrictions, permitted investment techniques and other relevant considerations;
- With respect to privately held investment opportunities, SWBC has adopted written policies and procedures that will not favor or disfavor, consistently or consciously, other investment vehicles utilized by associates other clients;
- The conflicts of interest that arise in managing multiple accounts include, for example, conflicts among investment strategies, conflicts in the allocation of investment opportunities (including related Investments), or conflicts based on account type, conflicts due to different fees;
- Some accounts have higher fees than others do. Fees charged to clients differ depending upon a number of factors including, but not limited to, the particular strategy, the size of the portfolio being managed, the relationship with the client, the service requirements, or the account type (e.g., separately managed accounts and wrap accounts). Based on these factors, a client could pay higher fees than another client with the same Representative, or in the same strategy. Also, clients with larger assets under management generate more revenue for SWBC than smaller accounts. These differences give rise to a conflict that a Representative may favor one account over the other or allocate more time to the management of one account over another.
- To help manage conflicts, we have implemented various controls, including the following:
 - We review the performance of accounts to identify performance outliers;
 - For accounts managed according to strategy-based model portfolios, we confirm differences relative to account specific guidelines; and
 - We have adopted trade order aggregation, trade allocation and related=account allocation policy and procedures that seek to manage, monitor and, to the extent possible, minimize the effects of these conflicts.

Item 12 Brokerage Practices

Your assets must be maintained in an account at a "qualified custodian," generally a broker-dealer, custodian or bank. In recognition of the value of the services the Custodian provides, you may pay higher commissions and/or trading costs than those that may be available elsewhere.

We seek to recommend a custodian/broker that will hold your assets and execute transactions on terms that are, overall, the most favorable compared to other available providers and their services. We consider various factors, including:

- Capability to buy and sell securities for your account itself or to facilitate such services.
- The likelihood that your trades will be executed.
- Availability of investment research and tools.
- Overall quality of services.
- Competitiveness of price.
- Reputation, financial strength, and stability.
- Existing relationship with our firm and our other clients.

Research and Other Soft Dollar Benefits

We strive to disclose all conflicts of interest at this time we do not have any soft dollar arrangements. We will promptly update this section upon receipt of soft dollar benefits.

Economic Benefits

As a registered investment adviser, we have access to the institutional platform of your account custodian. As such, we will also have access to research products and services from your account custodian and/or other brokerage firm. These products may include financial publications, information about particular companies and industries, research software, and other products or services that provide lawful and appropriate assistance to our firm in the performance of our investment decision-making responsibilities. Such research products and services are provided to all investment advisers that utilize the institutional services platforms of these firms, and are not considered to be paid for with soft dollars. However, you should be aware that the commissions charged by a particular broker for a particular transaction or set of transactions may be greater than the amounts another broker who did not provide research services or products might charge.

As mentioned, Advisor participates in the TD Ameritrade Institutional program. TD Ameritrade Institutional is a division of TD Ameritrade, Inc. (TD Ameritrade) member FINRA/SIPC. TD Ameritrade is an independent [separate and unaffiliated] SEC-registered broker-dealer. TD Ameritrade offers to independent investment Advisors, services which include custody of securities, trade execution, clearance, and settlement of transactions. Advisor receives some benefits from TD Ameritrade through its participation in the TD Ameritrade Institutional program. (Please see the disclosure under Item 14 below.)

Brokerage for Client Referrals

We do not receive client referrals from broker-dealers, custodians or banks in exchange for cash or other compensation, such as brokerage services or research.

Directed Brokerage

SWBC Investment Company clears all trades through our clearing firm, National Financial Services. We do not allow directed brokerage trades, however, rely on National Financial Services for the best execution of our trades. We do not place trades with certain brokers to receive favorable treatment or payment, which could create a conflict of interest.

Persons providing investment advice on behalf of our firm who are registered representatives of SWBC Investment Services LLC will recommend SWBC Investment Services LLC to you for brokerage services. These individuals are subject to applicable rules that restrict them from conducting securities transactions away from SWBC Investment Services LLC unless SWBC Investment Services LLC provides the representative with written authorization to do so. Therefore, these individuals are generally limited to conducting securities transactions through SWBC Investment Services LLC. It may be the case that SWBC Investment Services LLC charges higher transactions costs and/or custodial fees than another broker charges for the same types of services. If transactions are executed through SWBC Investment Services LLC, these individuals (in their separate capacities as registered representatives of SWBC Investment Services LLC) may earn commission-based compensation as result of placing the recommended securities transactions through SWBC Investment Services LLC. This practice presents a conflict of interest because these registered representatives have an incentive to effect securities transactions for the purpose of generating commissions rather than solely based on your needs. You may utilize the broker-dealer of your choice and have no obligation to purchase or sell securities through such broker as we recommend. However, if you do not use SWBC Investment Services LLC, we may not be able to accept your account. See the *Fees and Compensation* section in this brochure for more information on the compensation received by registered representatives who are affiliated with our firm.

You may choose to appoint **TD Ameritrade Institutional**, a division of TD Ameritrade Inc., member FINRA/SIPC ("TD Ameritrade") as your Custodian ("Custodian"), however not limited to, to take and have possession of your assets. Adviser shall not maintain possession of nor have custody of such assets. Custodian is a US Securities and Exchange registered broker / dealer. Adviser and Custodian are distinct, unaffiliated enterprises. There is no employment, agency or common control relationship between Custodian and Adviser.

Aggregated Trades

Generally, we do not combine multiple orders for shares of the same securities purchased for advisory accounts we manage (the practice of combining multiple orders for shares of the same securities is commonly referred to as "aggregated trading") however the Firm is not restricted from doing so in the future. Accordingly, you may pay different prices for the same securities transactions than other clients pay. Furthermore, we may not be able to buy and sell the same quantities of securities for you and you may pay higher commissions, fees, and/or transaction costs than other clients.

Item 13 Review of Accounts

We will not provide you with regular written reports. You will receive trade confirmations and monthly or quarterly statements from your account custodian(s).

While reviews and updates to the financial plan are not part of the contracted services, at your request we will review your financial plan to determine if the investment advice provided is consistent with your investment needs and objectives. It is best practice to review your financial situation yearly to determine if changes/updates are needed, Client retains ultimate responsibility to notify Advisor of such changes/updates promptly. At our sole discretion, reviews and updates may be subject to our then current hourly rate. If you implement the financial planning advice provided by our firm, you will receive trade confirmations and monthly or quarterly statements from relevant custodians.

Advisor will continually and regularly supervise or manage the advisory services of your investment account(s) as part of the services provided, at your request we will review your investment account(s) individually. It is best practice to review your investments yearly to determine if changes/updates are needed, Client retains ultimate responsibility to notify Advisor of such changes/updates promptly. Otherwise, we will continually monitor your investment account(s) in conjunction with any utilized third-party money manager(s) or sub-advisers, however we will not review statements you receive

from any third-party money manager or account custodian. Client should review provided statements for accuracy. At your request, we may meet with you and/or your other professionals to discuss asset allocation, but we may be limited on making recommendations regarding specific investments or provide any regular written reports to you depending on the circumstances. At our sole discretion, reviews and meetings may be subject to our then current hourly rate for non-advisory services provided.

Item 14 Client Referrals and Other Compensation

As disclosed under the *Fees and Compensation* section in this brochure, persons providing investment advice on behalf of our firm are licensed insurance agents, and are registered representatives with SWBC Investment Services LLC, a securities broker-dealer, and a member of the Financial Industry Regulatory Authority and the Securities Investor Protection Corporation. For information on the conflicts of interest this presents, and how we address these conflicts, refer to the *Fees and Compensation* section.

We do not receive any compensation from any third party in connection with providing investment advice to you nor do we compensate any individual or firm for client referrals.

Refer to the *Brokerage Practices* section above for disclosures on research and other benefits we may receive resulting from our relationship with your account custodian.

As disclosed under Item 12 above, Advisor participates in TD Ameritrade's Institutional customer program and Advisor may recommend TD Ameritrade to Clients for custody and brokerage services. There is no direct link between Advisor's participation in the program and the investment advice it gives to its Clients, although Advisor receives economic benefits through its participation in the program that are typically not available to TD Ameritrade retail investors. These benefits include the following products and services (provided without cost or at a discount): receipt of duplicate Client statements and confirmations; research related products and tools; consulting services; access to a trading desk serving Advisor participants; access to block trading (which provides the ability to aggregate securities transactions for execution and then allocate the appropriate shares to Client accounts); the ability to have advisory fees deducted directly from Client accounts; access to an electronic communications network for Client order entry and account information; access to mutual funds with no transaction fees and to certain institutional money managers; and compliance, marketing, research, technology, and practice management products or services provided to Advisor by TD Ameritrade and/or third party vendors without cost or at a discount. TD Ameritrade may also have paid for business consulting and professional services received by Advisor's related persons. Some of the products and services made available by TD Ameritrade through the program may benefit Advisor but may not benefit its Client accounts. These products or services may assist Advisor in managing and administering Client accounts, including accounts not maintained at TD Ameritrade. Other services made available by TD Ameritrade are intended to help Advisor manage and further develop its business enterprise. The benefits received by Advisor or its personnel through participation in the program do not depend on the amount of brokerage transactions directed to TD Ameritrade. As part of its fiduciary duties to clients, Advisor endeavors at all times to put the interests of its clients first. Clients should be aware, however, that the receipt of economic benefits by Advisor or its related persons in and of itself creates a potential conflict of interest and may indirectly influence the Advisor's choice of TD Ameritrade for custody and brokerage services. Advisor's receipt of general platform services does not diminish the Adviser's duty to act in the best interests of its clients, including to seek best execution of trades for client accounts.

Item 15 Custody

For accounts where we have the authority to directly debit the advisory fee, our Firm is deemed to

have custody. As paying agent for our firm, your independent custodian will directly debit your account(s) for the payment of our advisory fees. This ability to deduct our advisory fees from your accounts causes our firm to exercise limited custody over your funds or securities. We do not have physical custody of any of your funds and/or securities. Your funds and securities will be held with a bank, broker-dealer, or other qualified custodian. You will receive account statements from the qualified custodian(s) holding your funds and securities at least quarterly. The account statements from your custodian(s) will indicate the amount of our advisory fees deducted from your account(s) each billing period. You should carefully review account statements for accuracy.

Item 16 Investment Discretion

Before we can buy or sell securities on your behalf, you must first sign our advisory services agreement and the appropriate trading authorization forms.

You may grant our firm discretion over the selection and amount of securities to be purchased or sold for your account(s), the broker or dealer/custodian to be used for each transaction, and over the commission rates to be paid without obtaining your consent or approval prior to each transaction. You may specify investment objectives, guidelines, and/or impose certain conditions or investment parameters for your account(s). For example, you may specify that the investment in any particular stock or industry should not exceed specified percentages of the value of the portfolio and/or restrictions or prohibitions of transactions in the securities of a specific industry or security. Refer to the *Advisory Business* section in this Brochure for more information on our discretionary management services.

If you enter into non-discretionary arrangements with our firm, we will obtain your approval prior to the execution of any transactions for your account(s). You have an unrestricted right to decline to implement any advice provided by our firm on a non-discretionary basis.

Item 17 Voting Client Securities

We will not vote proxies on behalf of your advisory accounts. At your request, we may offer you advice regarding corporate actions and the exercise of your proxy voting rights. If you own shares of applicable securities, you are responsible for exercising your right to vote as a shareholder.

In most cases, you will receive proxy materials directly from the account custodian. However, in the event we were to receive any written or electronic proxy materials, we would forward them directly to you by mail, unless you have authorized our firm to contact you by electronic mail, in which case, we would forward any electronic solicitations to vote proxies.

Item 18 Financial Information

We do not require or solicit pre-paid fees exceeding \$1,200 per client, six months or more in advance, nor is there any financial condition that is reasonably likely to impair SWBC's ability to meet its contractual commitments to clients; consequently, we have not provided a balance sheet. We have not filed a bankruptcy petition at any time in the past ten years.

Item 19 Requirements for State-Registered Advisers

We are a federally registered investment adviser; therefore, we are not required to respond to this item.

Item 20 Additional Information

Trade Errors

In the event a trading error occurs in your account, our policy is to restore your account to the position it should have been in had the trading error not occurred. Depending on the circumstances, corrective actions may include canceling the trade, adjusting an allocation, and/or reimbursing the account.

Class Action Lawsuits

We do not determine if securities held by you are the subject of a class action lawsuit or whether you are eligible to participate in class action settlements or litigation nor do we initiate or participate in litigation to recover damages on your behalf for injuries as a result of actions, misconduct, or negligence by issuers of securities held by you. We do not provide legal advice.

IRA Rollover Considerations

As part of our investment advisory services to you, we may recommend that you withdraw the assets from your employer's retirement plan and roll the assets over to an individual retirement account ("IRA") that we will manage on your behalf. If you elect to roll the assets to an IRA that is subject to our management, we will charge you an asset based fee as set forth in the agreement you executed with our firm. This practice presents a conflict of interest because persons providing investment advice on our behalf have an incentive to recommend a rollover to you for the purpose of generating fee based compensation rather than solely based on your needs. You are under no obligation, contractually or otherwise, to complete the rollover. Moreover, if you do complete the rollover, you are under no obligation to have the assets in an IRA managed by our firm.

Many employers permit former employees to keep their retirement assets in their company plan. Also, current employees can sometimes move assets out of their company plan before they retire or change jobs. In determining whether to complete the rollover to an IRA, and to the extent the following options are available, you should consider the costs and benefits of:

1. Leaving the funds in your employer's (former employer's) plan.
2. Moving the funds to a new employer's retirement plan.
3. Cashing out and taking a taxable distribution from the plan.
4. Rolling the funds into an IRA rollover account.

Each of these options has advantages and disadvantages and before making a change we encourage you to speak with your CPA and/or tax attorney.

If you are considering rolling over your retirement funds to an IRA for us to manage here are a few points to consider before you do so:

1. Determine whether the investment options in your employer's retirement plan address your needs or whether you might want to consider other types of investments.
 - Employer retirement plans generally have a more limited investment menu than IRAs.
 - Employer retirement plans may have unique investment options not available to the public such as employer securities, or previously closed funds.
2. Your current plan may have lower fees than our fees.
 - If you are interested in investing only in mutual funds, you should understand the cost structure of the share classes available in your employer's retirement plan and how the costs of those share classes compare with those available in an IRA.
 - You should understand the various products and services you might take advantage of at an IRA provider and the potential costs of those products and services.
3. Our strategy may have higher risk than the option(s) provided to you in your plan.

4. Your current plan may also offer financial advice.
5. If you keep your assets titled in a 401k or retirement account, you could potentially delay your required minimum distribution beyond age 70.5.
6. Your 401k may offer more liability protection than a rollover IRA; each state may vary.
 - Generally, federal law protects assets in qualified plans from creditors. Since 2005, IRA assets have been generally protected from creditors in bankruptcies. However, there may be exceptions to the general rules so you should consult with an attorney if you are concerned about protecting your retirement plan assets from creditors.
7. You may be able to take out a loan on your 401k, but not from an IRA.
8. IRA assets can be accessed any time; however, distributions are subject to ordinary income tax and may also be subject to a 10% early distribution penalty unless they qualify for an exception such as disability, higher education expenses or the purchase of a home.
9. If you own company stock in your plan, you may be able to liquidate those shares at a lower capital gains tax rate.
10. Your plan may allow you to hire us as the manager and keep the assets titled in the plan name.

It is important that you understand the differences between these types of accounts and to decide whether a rollover is best for you. Prior to proceeding, if you have questions contact your investment adviser representative, or call our main number as listed on the cover page of this brochure.