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This Brochure provides information about the qualifications and business practices of Browning Capital Management LLC. If you have any questions about the contents of this Brochure, please contact us at (949) 439-7457 or via email at scott@browningcm.com. The information in this Brochure has not been approved or verified by the United States Securities and Exchange Commission ("SEC") or by any state securities authority.

Browning Capital Management LLC ("BCM") is a Registered Investment Adviser. Registration of an Investment Adviser does not imply any level of skill or training. The oral and written communications of an Adviser provide you with information that you may use to determine whether to hire or retain them. Additional information about BCM is also available on the SEC's website at www.adviserinfo.sec.gov.

Item 2 – Material Changes

Since our last annual filing on February 4, 2020, we have the following material changes to disclose.

- Browning Capital Management LLC's main office has moved. The main office is now 69380 Deer Ridge Road, Sisters, Oregon 97759.
- Browning Capital Management LLC. received a Paycheck Protection Plan Loan through the U.S. Small Business Administration ("SBA") in conjunction with the relief afforded from the CARES [Act]. See Item 18 for additional details.

Pursuant to new Rules, we will ensure that you receive a summary of any material changes to this and subsequent Brochures within 120 days of the close of our business' fiscal year which is December 31st. We will provide other ongoing disclosure information about material changes as necessary. We will also provide you with a new Brochure, as necessary, based on changes or new information. Currently, our Brochure may be requested at any time, without charge, by contacting Scott D. Browning at (949) 439-7457 or by sending a request to our mailing address at PO Box 2027, Sisters, Oregon, 97759.

Additional information about BCM is also available via the SEC's website www.adviserinfo.sec.gov. You can search this site by using a unique identifying number, known as a CRD number. The CRD number for BCM is 169271. The SEC's web site also provides information about any persons affiliated with BCM who are registered, or are required to be registered, as Investment Adviser Representatives of BCM.

Item 3 – Table of Contents

Item 1 – Cover Page	1
Item 2 – Material Changes.....	3
Item 3 – Table of Contents	4
Item 4 – Advisory Business Introduction	6
Services	6
1. Asset Management	7
Third Party Money Managers.....	8
2. Financial Planning.....	9
3. Family Office Services.....	9
4. Other Services	10
Item 5 – Fees and Compensation	10
1. Asset Management Fee Schedule	10
2. Financial Planning Fees	11
3. Family Office Services Fees	13
4. Other Fees	14
Item 6 – Performance Based Fee and Side by Side Management	14
Item 7 – Types of Client(s)	14
Item 8 – Methods of Analysis, Investment Strategies and Risk of Loss	14
1. Fundamental Analysis	14
2. Modern Portfolio Theory (MPT).....	15
3. Technical Analysis.....	16
4. Cyclical Analysis.....	17
5. Targeted Asset Allocation	17
6. Risks.....	19
Item 9 – Disciplinary Information	24
Item 10 – Other Financial Industry Activities and Affiliations.....	24
1. Insurance Agent	24
2. Attorney	24
3. Certified Public Accountant.....	24
Item 11 – Code of Ethics, Participation or Interest in Client Accounts and Personal Trading.....	24
1. General Information.....	24
2. Participation or Interest in Client Accounts	25
3. Personal Trading.....	25

4. Privacy Statement	26
5. Conflicts of Interest	26
6. Use of Disclaimers	26
Item 12 – Brokerage Practices	26
1. Soft Dollars	26
2. Best Execution	27
3. Brokerage for Client Referrals	27
4. Directed Brokerage	27
5. Trading	28
Item 13 – Review of Accounts.....	28
1. Duty to Supervise	28
2. Reviews.....	29
3. Reports	29
Item 14 – Client Referrals and Other Compensation	29
Item 15 – Custody	29
Standing Letter of Authorization.....	30
Item 16 – Investment Discretion.....	30
Item 17 – Voting Client Securities	31
Item 18 – Financial Information	31

Item 4 – Advisory Business Introduction

BCM is a Registered Investment Adviser (“Adviser”) which offers investment advice, securities, insurance, and other financial services to clients. Browning Capital is a registered investment adviser with the Securities and Exchange Commission (“SEC”).

We provide investment advice through Investment Adviser Representatives (“Advisor”) associated with us. These individuals are appropriately licensed, qualified, and authorized to provide advisory services on our behalf. In addition, all advisors are required to have college degree, professional designation, or equivalent professional experience.

BCM was founded in 2013 by Scott D. Browning who serves as a Managing Member and Chief Compliance Officer. We provide portfolio management services to individuals, high net worth individuals and other legal entities. Through expertise and experience, BCM offers high quality investment advisory services and asset management services. We will help to provide you with excellent investment performance while successfully managing risk. We believe the long-term success of our firm hinges on our discipline, integrity, our professionalism, and our ability to consistently focus on our goal of achieving consistent long-term investment returns.

Services

We provide various asset management and family office services with an emphasis on financial planning. Our focus is on helping you manage your assets with the goal of building and preserving your wealth.

As of December 31, 2020, we provided asset management services for 80 accounts, managing total assets of \$162,124,493.

This amount is managed on a discretionary basis, which means you have given us the authority to determine the following without your consent:

- Securities to be bought or sold for your account
- Amount of securities to be bought or sold for your account

If you have not given us the authority to manage your account on a discretionary basis, then we cannot trade in your account without your express permission.

While we may have trading discretion on your account (i.e., placing trades in your account without your approval), trading activity is generally limited to help minimize your trading costs. Trading may be required to meet initial allocation targets, after substantial cash deposits that require investment allocation, and/or after a request for a withdrawal that requires liquidation of a position. Additionally, your account may be rebalanced or reallocated periodically in order to reestablish the targeted percentages of your initial asset allocation. This rebalancing or reallocation will occur on the schedule we have determined together. You will be responsible for any and all tax consequences resulting from any rebalancing or reallocation of the account. You will have the opportunity to meet with us periodically to review the assets in your account.

1. Asset Management

Asset management is the professional management of securities in order to meet your specified investment goals. With an Asset Management Account, you engage us to assist you in developing a personalized asset allocation program and custom-tailored portfolio designed to meet your unique investment objectives. The investments in the portfolio account may include equities, open-end mutual funds, exchange traded funds (ETFs), investment grade municipal bonds, publicly traded real estate investment trust (REITs), etc. Our analysis of recommended securities is based on various criteria including: rates of return, fund inception, management style, Sharp Ratio, standard deviation, and other factors.

We will meet with you to discuss your financial circumstances, investment goals and objectives, and to determine your risk tolerance. We will ask you to provide statements summarizing current investments, income and other earnings, recent tax returns, retirement plan information, other assets and liabilities, wills and trusts, insurance policies, and other pertinent information. Based on the information you share with us, we will analyze your situation and recommend an appropriate asset allocation or investment strategy. You will be provided with a targeted strategic allocation of assets by class, as well as limited investment advice. Our recommendations and ongoing management are based upon your investment goals and objectives, risk tolerance, and the investment portfolio you have selected. We will monitor the account, trade as necessary, and communicate regularly with you. Your circumstances shall be monitored in quarterly and annual account reviews. These reviews will be conducted in person, by telephone conference, and/or via a written inquiry/questionnaire. We will work with you on an ongoing basis to evaluate your asset allocation as well as rebalance your portfolio to keep it in line with your goals as necessary. We will be reasonably available to help you with questions about your account. You will also receive our Advisory Agreement which describes what services you will receive and what fees you will be charged.

We will:

- Review your present financial situation
- Monitor and track assets under management
- Provide portfolio statements, periodic rate of return reports, asset allocation statement, rebalanced statements as needed
- Advise on asset selection
- Determine market divisions through asset allocation models
- Provide research and information on performance and fund management changes
- Build a risk management profile for you
- Assist you in setting and monitoring goals and objectives
- Provide personal consultations as necessary upon your request or as needed.

You are obligated to notify us promptly when your financial situation, goals, objectives, or needs change.

You shall have the ability to impose reasonable restrictions on the management of your account, including the ability to instruct us not to purchase certain mutual funds, stocks or other securities. These restrictions may be a specific company security, industry sector, asset class, or any other restriction you request.

Under certain conditions, securities from outside accounts may be transferred into your advisory account; however, we may recommend that you sell any security if we believe that it is not suitable for the current recommended investment strategy. You are responsible for any taxable events in these instances. Certain assumptions may be made with respect to interest and inflation rates and the use of past trends and performance of the market and economy. Past performance is not indicative of future results.

If you decide to implement our recommendations, we will help you open a custodial account(s). The funds in your account will generally be held in a separate account, in your name, at an independent custodian, and not with us. We recommend using TD Ameritrade Institutional; however, you may use any custodian you wish.

You will enter into a separate custodial agreement with the custodian. This agreement, among other things, authorizes the custodian to take instructions from us regarding all investment decisions for your account. We will select the securities bought and sold and the amount to be bought and sold, within the parameters of the objectives and risk tolerance of your account. The custodian will effect transactions, deliver securities, make payments and do what we instruct. You are notified of any purchases or sales through trade confirmations and monthly statements that are provided by the custodian. These statements list the total value at the start of the month, itemize all transaction activity during the month, and list the types, amounts, and total value of securities held as of the end of the month. Your statement may be in either printed or electronic form based upon your preferences. You will at all times maintain full and complete ownership rights to all assets held in your account, including the right to withdraw securities or cash, proxy voting and receiving transaction confirmations.

We are available during normal business hours either by telephone, fax, email, or in person by appointment to answer your questions.

Third Party Money Managers

We may determine that opening an account with a professional third party money manager is in your best interests. We may contract with several third party money managers that are available on the TD Ameritrade Institutional Separate Account Exchange. Before contracting with third party money managers, BCM will verify that the third party money managers are properly licensed and registered investment advisers before engaging in their services.

These programs allow you to obtain portfolio management services that typically require higher minimum account sizes outside of the program. The money managers selected under these programs will have discretion to determine the securities they buy and sell within the account, subject to reasonable restrictions imposed by you. Due to the nature of these programs, each of the independent money managers is obligated to provide you with a separate disclosure document. You should carefully review this document for important and specific program details, including pricing.

Under these programs, we may:

- Assist in the identification of investment objectives
- Recommend specific investment style and asset allocation strategies
- Assist in the selection of appropriate money managers and review performance and progress
- Recommend reallocation among managers or styles within the program
- Recommend the hiring and firing of money managers utilized by you.

You should read the ADV Part 2 disclosure document of the money manager you select for complete details on the charges and fees you will incur.

2. Financial Planning

We provide services such as comprehensive financial planning, modular financial planning, estate planning, business succession planning, charitable giving strategies, educational planning, and post retirement distribution planning. Fee based financial planning is a comprehensive relationship which incorporates many different aspects of your financial status into an overall plan that meets your goals and objectives. The financial planning relationship consists of face-to-face meetings and ad hoc meetings with you and/or your other advisors (attorneys, accountants, etc.) as necessary.

In performing financial planning services, we typically examine and analyze your overall financial situation, which may include issues such as taxes, insurance needs, overall debt, credit, business planning, retirement savings and reviewing your current investment program. Our services may focus on all or only one of these areas depending upon the scope of our engagement with you.

It is essential that you provide the information and documentation we request regarding your income, investments, taxes, insurance, estate plan, etc. We will discuss your investment objectives, needs and goals, but you are obligated to inform us of any changes. We do not verify any information obtained from you, your attorney, accountant or other professionals.

If you engage us to perform these services, you will receive a written agreement detailing the services, fees, terms and conditions of the relationship. You will also receive this Brochure. You are under no obligation to implement recommendations through us. You may implement your financial plan through any financial organization of your choice.

We obtain information from a wide variety of publicly available sources. We do not have any inside private information about any investments that are recommended. All recommendations developed by us are based upon our professional judgment. We cannot guarantee the results of any of our recommendations. Choosing which advice to follow is your decision.

3. Family Office Services

Our family office services encompass all aspects for financial services such as investment management services, estate planning, philanthropic planning, retirement planning, risk management, and family legacy Planning.

4. Other Services

Scott D. Browning may recommend and sell life, accident, and health insurance. He will receive the usual and customary commissions associated with these sales from the insurance company. You will pay a separate fee for these and your advisory fee will not be reduced by any payments we receive from these sales.

Item 5 – Fees and Compensation

We provide asset management services for a fee. Our fees do not include brokerage commissions, transaction fees, and other related costs and expenses. You may incur certain charges imposed by custodians, third party investment companies and other third parties. These include fees charged by managers, custodial fees, deferred sales charges, odd-lot differentials, transfer taxes, wire transfer and electronic fund fees, and other fees and taxes on brokerage accounts and securities transactions. Mutual funds, money market funds and exchange-traded funds (ETFs) also charge internal management fees, which are disclosed in the fund's prospectus. These fees may include, but are not limited to, a management fee, upfront sales charges, and other fund expenses. We do not receive any compensation from these fees. All of these fees are in addition to the management fee you pay us. You should review all fees charged to fully understand the total amount of fees you will pay. Services similar to those offered by us may be available elsewhere for less than the amounts we charge.

You could invest in a mutual fund directly, without our services. In that case, you would not receive the services provided by us which are designed, among other things, to assist you in determining which mutual fund or funds are most appropriate to your financial condition and objectives.

Our Advisory-Agreement defines what fees are charged and their frequency. We either bill fees in arrears or in advance on a quarterly basis. You will authorize the custodian to directly debit fees from your account held at the custodian to pay us. You will be provided with a monthly statement reflecting deduction of the advisory fees.

Either party may terminate the relationship with a thirty (30) day written notice. Upon termination of any account, any prepaid fees that are in excess of the management services performed will be promptly refunded to you. Any fees that are due, but have not been paid, will be billed to you and are due immediately.

All recommendations developed by us are based upon our professional judgment. We cannot guarantee the results of any of our recommendations.

1. Asset Management Fee Schedule

There is no minimum account size for asset management services. Accounts that belong to the same household may be grouped for the purpose of determining the fee. A "household" comprises the beneficial owner of an Account, as well as the beneficial owner's spouse, ancestors (such as parents, grandparents and great-grandparents), spouses of lineal descendants, siblings and spouses of siblings. The annual fee will be charged for the total of all of the accounts comprising the consolidated account.

Fees are charged quarterly, either in advance or in arrears. Payments are due and will be assessed on the last day of each quarter, based on the ending balance of the accounts under management, without regard to margin balances.

The standard asset management fee for Browning Capital Management will be between 0.50% - 1.50% and lower fees may be negotiable based upon individual client circumstances and at the Adviser's discretion. The final fee will be disclosed in your executed management agreement. You will be billed one fourth of this amount on a quarterly basis. No increase in the annual fee shall be effective without prior written notification to you. We believe our advisory fee is reasonable considering the fees charged by other investment advisers offering similar services/programs. Lower fees for comparable services may be available from other sources.

You may also pay additional advisory fees to a third party money manager depending upon which manager you select. No portion of the Adviser compensation shall be based on capital gains or capital appreciation of the assets except as provided for under the Investment Advisors Act of 1940. BCM does not charge performance based fees.

Certain strategies offered by us involve investment in mutual funds. Load and no load mutual funds may pay annual distribution charges, sometimes referred to as "12(b)(1) fees". These 12(b)(1) fees come from fund assets, and thus indirectly from clients' assets. We do not receive any compensation from these fees. The 12(b)(1) fee, deferred sales charges and other fee arrangements will be disclosed upon your request and are typically described in the applicable fund's prospectus.

Your account at the custodian may also be charged for certain additional assets managed for you by us but not held by the custodian (i.e. variable annuities, mutual funds, 401(k)s).

The fees we charge can be deducted directly from your account at the custodian. We will instruct the custodian to deduct the fees from your account at the end of the quarter. This fee will show up as a deduction on your following month's account statement from the custodian.

If you do not want us to charge your account for the fee, you may pay the fee directly to us. We will send you an invoice detailing the fee calculation. Fees are due in full 15 days after receipt of the invoice.

2. Financial Planning Fees

You may want us to create a financial plan or provide modular financial planning for you. We will work with you to create the plan. We can provide analysis and recommendations for investment needs, estate planning, business succession planning, charitable giving strategies, education planning, and post retirement distribution planning. You can have us create a full financial plan or select any of the individual modules.

The following fee schedule applies for financial planning services:

Modules	Minimum Fee
Investment Management	\$4,000
Estate Planning	\$8,000
Business Succession Planning	\$8,000
Charitable Giving Strategies	\$8,000
Education Funding	\$2,000
Post Retirement Distribution Planning	\$4,000

The fees shown above are the minimum for financial plan modules. You may have isolated instances where you need assistance. The usual fee for us to provide analysis, but not create a plan, is \$400 per hour which may be negotiable depending upon the nature and complexity of your circumstances. An estimate for total hours will be determined at the start of the advisory relationship. Consultation services without a financial plan require no minimum net worth, and financial planning services require no minimum net worth.

Based upon your needs, we may also provide consultations throughout the year to advise and counsel you about other financial issues. We can help you with transition planning, major transaction analysis, coordinated with cash flow needs, investment needs, estate planning needs, business succession planning needs, charitable giving strategies, college education planning, and post retirement distribution planning needs.

If the plan is implemented through us, we may receive compensation from the sale of insurance products or services recommended in the financial plan. This compensation would be in addition to the financial planning fee you pay. The fees and expenses you pay for the purchase of these products may be more or less than the expenses you would pay should you decide to implement our recommendations through another investment advisory firm or broker-dealer and are typically determined by the broker-dealer or investment company sponsoring the product. Therefore, a conflict of interest may exist between our interests and your interests since we may recommend products that pay us compensation. We may have an incentive to recommend particular products based upon the potential compensation rather than your needs. This potential conflict is addressed in our Code of Ethics.

The Financial Planning Agreement will show the fee you will pay. Hourly fees and project fees are charged in advance and are non-refundable. In the event that you cancel the Financial Planning Agreement, you will be responsible for the actual hours spent preparing the financial plan, up to the cancellation date, at the agreed upon hourly rate. A deposit of 50% of the fee is due at the time the agreement is signed. The remainder of the fee is due upon presentation of an investment plan or the rendering of consulting services. Investment plans will be presented to you within 90 days of the contract date, provided that all

information needed to prepare the investment plan has been promptly provided to us. The financial planning agreement will terminate once you receive the final plan.

All recommendations developed by us are based upon our professional judgment. We cannot guarantee the results of any of our recommendations.

3. Family Office Services Fees

Our minimum account opening balance is \$5,000,000 which may be negotiable based upon certain circumstances.

The minimum annual fee is \$50,000. Accounts that are subject to the Family Office Agreement will be grouped for the purpose of determining the fee. Accounts that are aggregated under the Family Office Agreement may be comprised of family members, their entities, and may also include unrelated associated individuals. Client fees are computed annually and paid in quarterly installments in advance. The percentage is applied to the ending balance of the account without regard to margin balances, as of the last day of the quarter.

Fees are calculated based on the following tiered annual schedule for family office services:

Percentage	Portfolio Size (AUM)
1.0%	\$0-\$10,000,000
0.75%	\$10,000,001-\$50,000,000
0.50%	\$50,000,001+

The fees shown above is our standard annual fee schedule and may be negotiable based upon individual client circumstances.

The annual fee will be divided by four (4) if paid quarterly. No increase in the annual fee shall be effective without prior written notification to the Client. Lower fees for comparable services may be available from other sources. We believe our advisory fee is reasonable considering the fees charged by other investment advisers offering similar services/programs.

You may also pay additional advisory fees to a third party money manager depending upon which manager you select. No portion of the Adviser compensation shall be based on capital gains or capital appreciation of the assets except as provided for under the Investment Advisors Act of 1940. BCM does not charge performance based fees.

Certain strategies offered by us involve investment in mutual funds. Load and no load mutual funds may pay annual distribution charges, sometimes referred to as “12(b)(1) fees”. These 12(b)(1) fees come from fund assets, and thus indirectly from clients’ assets. We do not receive any compensation from these fees. The 12(b)(1) fee, deferred sales charges and other fee arrangements will be disclosed upon your request and are typically described in the applicable fund’s prospectus.

Your account at the custodian may also be charged for certain additional assets managed for you by us but not held by the custodian (i.e. variable annuities, mutual funds, 401(k)s).

The fees we charge can be deducted directly from your account at the custodian. We will instruct the custodian to deduct the fees from your account at the end of the quarter. This fee will show up as a deduction on your following month's account statement from the custodian.

If you do not want us to charge your account for the fee, you may pay the fee directly to us. We will send you an invoice detailing the fee calculation. Fees are due in full 15 days after receipt of the invoice.

4. Other Fees

Our Advisor may recommend and sell life, disability, health, and long-term care insurance and will receive the usual and customary commissions in addition to any agreed upon advisory fee.

Item 6 – Performance Based Fee and Side by Side Management

We do not charge any performance-based fees. These are fees based on a share of capital gains on or capital appreciation of the assets of a client.

Item 7 – Types of Client(s)

We provide portfolio management, financial planning, and family office services to individuals, high net worth individuals and other legal entities.

We have no minimum account opening balance for asset management clients, however we do have a minimum account opening balance of \$5,000,000 for family office services.

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

We use fundamental analysis, modern portfolio theory, technical analysis, cyclical analysis, target asset allocation as part of our overall investment management discipline; the implementation of these analyses as part of our investment advisory services to you may include any, all or a combination of the following:

1. Fundamental Analysis

Fundamental analysis is a technique that attempts to determine a security's value by focusing on the underlying factors that affect a company's actual business and its future prospects. Fundamental analysis is about using real data to evaluate a security's value. It refers to the analysis of the economic well-being of a financial entity as opposed to only its price movements.

Fundamental analysis serves to answer questions, such as:

- Is the company's revenue growing?
- Is it actually making a profit?
- Is it in a strong-enough position to beat out its competitors in the future?
- Is it able to repay its debts?

One of the primary assumptions of fundamental analysis is that the price on the stock market does not fully reflect a stock's "real" value. We use a combination of qualitative and quantitative factors to try and find stocks that are undervalued. We look at both macroeconomic factors such as the overall economy and industry conditions and company-specific factors such as financial condition and management. When we are examining a stock, we might look at the stock's annual dividend payout, earnings per share, price to earnings ratio and many other quantitative factors. However, no analysis is complete without taking into account brand recognition and other qualitative factors.

The end goal of performing fundamental analysis is to produce a value that we can compare with the security's current price, with the aim of figuring out what sort of position to take with that security (underpriced = buy, overpriced = sell or short).

Once we discover undervalued securities or funds that are investing in undervalued stocks; we look at the stability and volatility.

In order to perform this fundamental analysis, we use many resources, such as:

- Morningstar
- Financial newspapers and magazines (e.g. Wall Street Journal, Forbes, etc.)
- Annual reports, prospectuses, filings with the Securities and Exchange Commission
- Research materials prepared by others
- Company press releases
- Corporate rating services
- Timing Services
- Company websites
- Inspections of corporate activities.

The investment strategies we use to implement any investment advice given to you include, but are not limited to:

- Long term purchases -securities held at least a year
- Short term purchases - securities sold within a year

2. Modern Portfolio Theory (MPT)

We use publicly available research and reports regarding individual securities, issuers, investment strategies and performance of asset classes to select the funds they will offer. They also use Modern

Portfolio Theory to help them select the funds they offer. Modern Portfolio Theory was created by some of the world's leading academic economists. They conducted extensive research, demonstrating that asset class selection (such as small-cap vs. large-cap, value vs. growth and U.S. vs. international)-not stock selection or market timing-is the most important determinant of portfolio performance. They also received a Nobel Prize for revealing these four tenets:

1. Markets process information so rapidly when determining security prices, that it is extremely difficult to gain a competitive edge by taking advantage of market anomalies or inefficiencies.
2. Over time, riskier investments provide higher returns as compensation to investors for accepting greater risk.
3. Adding high-risk, low correlating asset classes to a portfolio can actually reduce volatility and increase expected rates of return.
4. Passive asset class fund portfolios can be designed to deliver over time the highest expected returns for a chosen level of risk.

Modern portfolio theory tries to understand the market as a whole, rather than looking for what makes each investment opportunity unique. Investments are described statistically, in terms of their expected long-term return rate and their expected short-term volatility. The volatility is equated with "risk," measuring how much worse than average an investment's bad years are likely to be. The end goal is to identify your acceptable level of risk tolerance, and then to find a portfolio with the maximum expected return for that level of risk.

3. Technical Analysis

Technical Analysis is a technique that attempts to determine a security's value by developing models and trading rules based upon price and volume transformation. Technical analysis assumes that a market's price reflects all relevant information so the analysis focuses on the history of a security's trading behavior rather than external drivers such as economic, fundamental and news events. The practice of technical analysis incorporates the importance of understanding how market participants perceive and act upon relevant information rather than focusing on the information itself. Ultimately, technical analysts develop trading models and rules by evaluating factors such as market trends, market participant behaviors, supply and demand and pricing patterns and correlations.

In order to perform technical analysis, we use the following techniques:

- Calculate moving averages
- Stochastic oscillators, which incorporate support and resistance levels to determine momentum.
- Charting and chart patterns
- Supply and demand indicators
- Investor behavior and psychology.

The investment strategies we use to implement any investment advice given to you include, but are not limited to:

- Long term purchases (securities held at least a year)
- Short term purchases (securities sold within a year)

As with other types of analysis, the predictive nature of technical analysis can vary greatly; models and rules are often modified and updated as new patterns and behaviors develop. Past performance is not an indicator of future return.

4. Cyclical Analysis

While we do not attempt to time the market, we may use cyclical analysis in conjunction with other strategies to help determine if shifts are required in your investment strategies depending upon long and short-term trends in financial markets and the performance of the overall national and global economy.

5. Targeted Asset Allocation

We combine fundamental analysis, modern portfolio theory, technical analysis, and cyclical analysis to determine asset allocation strategies. Five targeted asset allocation strategies covering everything from income with capital appreciation to aggressive growth oriented approaches have been compiled by us. We will determine an asset allocation strategy that meets your goals and time horizon, while addressing the level of risk you are comfortable assuming. The strategic asset allocation strategy remains constant; your specific asset allocation strategy may change infrequently to reflect shifts in your risk tolerance and goals. We screen and select funds and securities to be added to or removed from your account on a regular basis. Rebalancing can occur after a move in the market of 15% or more within any year but at least once per year based on the annual review of your financial situation.

Aggressive Growth

Portfolio return is expected to be derived from growth-oriented equity securities that appear to have the potential to experience higher than average appreciation in value. These securities may also have the highest risk experiencing volatility and price declines as well. Current income is not an investment objective.

This investment objective may overweight equities in Small Companies, Foreign and Emerging Markets and Sector Funds in an attempt to see additional return. These categories are traditionally more volatile than a broader-based spectrum of established US companies and consequently carry more investment risks.

Although exact percentages are likely to vary over time, the anticipated allocation in the portfolio may be up to 95% in equities, a substantial portion of which may be foreign equities. Some fixed income, from 5%-15%, may be included along with some alternative investments.

There is no focus on generation of current income to the extent that current income is expected to be derived from this portfolio you understand that such income necessarily would be derived from capital appreciation to fund income may result in adverse tax consequences as a result of gains on sales of securities being taxed as short term capital gains.

Growth

Portfolio return (and potentially income from the form of dividends) is expected to be derived from growth-oriented equity securities that appear to have the potential to experience appreciation in value from aggressive fixed income securities. Current income is not an investment objective, but some current income may be derived from fixed income securities that pay dividends and/or interest.

Although exact percentages are likely to vary over time, the anticipated allocation in portfolio may be up to 95% in equities or aggressive fixed income, which may include foreign equities and foreign bonds. Some fixed income, from 5%-20% may be included. Both allocations may be effected through investment in diversified mutual funds that are comprised of such securities.

There is not focus on generation of current income so to the extent that current income is expected to be derived from this portfolio you understand that such income necessarily would be derived from capital appreciation rather than from income oriented securities. You also understand that reliance on capital appreciation to fund income may result in adverse tax consequences as a result of gains on sales of securities being taxed as short-term capital gains.

Growth with income

Growth (and potentially income in the form of dividends) is expected to be derived from growth-oriented equity securities that appear to have the potential to experience appreciation in value. Income (and potentially growth from an appreciation in value) is expected to be derived from fixed income securities that are expected to pay dividends and/or interest. These are broad and not mutually exclusive categories, since income can be achieved from growth securities, and growth can be achieved from income securities.

Although exact percentages are likely to vary over time, the anticipated allocation in the portfolio will be between to 50% to 75% high quality equities (including foreign equities) and 25% to 50% in fixed income. Both allocations may be effected through investment in diversified mutual funds that are comprised of such securities.

There is a focus on generation of current income so to the extent that current income is expected to be derived from income oriented securities. You also understand that reliance on capital appreciation for fund income may result in adverse tax consequences as a result of gains on sales of securities being taxed as short term capital gains.

Income with Moderate Growth

Income is expected to be derived from fixed income securities that are expected to pay dividends and/or interest. Moderate growth, as well as additional income, is expected to be derived from income oriented equity securities that also appear to have the potential to experience moderate appreciation in value. These broad and not mutually exclusive categories, and it is possible to moderate growth can result from investment in fixed income securities, which n also appreciate or decline in value.

Although exact percentages are likely to vary over time, the anticipated allocation in the portfolio will be 40% - 60% in fixed income securities, with a bias towards higher quality bonds of various maturities, and

60%-40% in income-oriented equity securities, with a bias toward large company stocks with strong dividend history. Both allocations may be effected through investment in diversified mutual funds that are comprised of such securities.

There is a focus on generation of current income so to the extent that current income is expected to be derived from this portfolio you understand that such income would be derived from income oriented securities. You also understand that reliance on capital appreciation to fund income may result in adverse tax consequences as a result of gains on sales of securities being taxed as short term capital gains.

Income with Capital Preservation

Income is expected to be derived from conservative fixed income securities and conservative equities with strong dividend histories. Because such securities historically have experienced less fluctuation in value, there is expected to be less risk that the capital invested in the portfolio would not be preserved, but this cannot be guaranteed over any period.

Although exact percentages are likely to vary over time, the anticipated allocation in the portfolio will be 75% in conservative fixed income securities, with a bias towards higher quality bonds of various maturities, and 25% in income-oriented equity securities, with a bias towards large company stocks with a strong dividend history. Both allocations may be effected through investment in diversified mutual funds that are comprised of such securities. Emphasis is placed on generation of current income and prevention of capital loss.

There is a focus on generation of current income so to the extent that current income is expected to be derived from this portfolio you understand that such income would be derived from income oriented securities. You also understand that reliance on capital appreciation to fund income may result in adverse tax consequences as a result of gains on sales of securities being taxed as short term gains.

6. Risks

We cannot guarantee our analysis methods will yield a return. In fact, a loss of principal is always a risk. Investing in securities involves a risk of loss that you should be prepared to handle. You need to understand that investment decisions made for your account by us are subject to various market, currency, economic, political and business risks. The investment decisions we make for you will not always be profitable nor can we guarantee any level of performance.

A list of all risks associated with the strategies, products and methodology we offer are listed below:

1. Bond Fund Risk

Bond funds generally have higher risks than money market funds, largely because they typically pursue strategies aimed at producing higher yields of the risks associated with bond funds include:

- Call Risk - The possibility that falling interest rates will cause a bond issuer to redeem—or call—its high-yielding bond before the bond's maturity date.

- Credit Risk — the possibility that companies or other issuers whose bonds are owned by the fund may fail to pay their debts (including the debt owed to holders of their bonds). Credit risk is less of a factor for bond funds that invest in insured bonds or U.S. Treasury bonds. By contrast, those that invest in the bonds of companies with poor credit ratings generally will be subject to higher risk.
- Interest Rate Risk — the risk that the market value of the bonds will go down when interest rates go up. Because of this, you can lose money in any bond fund, including those that invest only in insured bonds or Treasury bonds.
- Prepayment Risk — the chance that a bond will be paid off early. For example, if interest rates fall, a bond issuer may decide to pay off (or "retire") its debt and issue new bonds that pay a lower rate. When this happens, the fund may not be able to reinvest the proceeds in an investment with as high a return or yield.

2. Fundamental Analysis Risk

Fundamental analysis, when used in isolation, has a number of risks:

- There are an infinite number of factors that can affect the earnings of a company, and its stock price, over time. These can include economic, political and social factors, in addition to the various company statistics.
- When using this method with mutual funds, the funds are composed of many companies and not all of them will be undervalued
- The data used may be at least six months out of date.
- It is difficult to give appropriate weightings to the factors.
- In the early 1970s and 1980s price/earnings multiples of 80 or 90 were considered acceptable by some for 'blue chip' stocks in the United States.
- In the 1980s in the United States some biotechnology stocks sold at '50 times sales'. The companies had no earnings and paid no dividend. The new yardstick to value these became 'products in the pipeline'. By the late 1980s most had lost three-quarters of their stock price.
- It assumes that the analyst is competent.
- A fundamental analyst assumes that other fundamental analysts will form the same view about the company and buy the stock, thus restoring its value and returning the trader or investor a capital gain. In practice, an undervalued company's stock price can stay at approximately the same level (or decline) for years.
- It ignores the influence of random events such as oil spills, product defects being exposed, and acts of God and so on.
- It assumes that there is no monopolistic power over markets.
- Even when fundamental analysis reveals an undervalued company, or a stock with high growth prospects, it does not tell us anything about the timing of the purchase of the stock. In other words, we may have discovered a grossly undervalued stock whose price has been falling for some time, and may well continue falling.

3. Insurance Product Risk

The rate of return on variable insurance products is not stable, but varies with the stock, bond and money market subaccounts that you choose as investment options. There is no guarantee that you will earn any return on your investment and there is a risk that you will lose money. Before you consider purchasing a variable product, make sure you fully understand all of its terms. Carefully read the prospectus. Some of the major risks include:

- **Liquidity and Early Withdrawal Risk** – There may be a surrender charges for withdrawals within a specified period, which can be as long as six to eight years. Any withdrawals before a client reaches the age of 59 ½ are generally subject to a 10 percent income tax penalty in addition to any gain being taxed as ordinary income.
- **Sales and Surrender Charges** – Asset-based sales charges or surrender charges. These charges normally decline and eventually are eliminated the longer you hold your shares. For example, a surrender charge could start at 7 percent in the first year and decline by 1 percent per year until it reaches zero.
- **Fees and Expenses** – There are a variety of fees and expenses which can reach 2% and more such as:
 - Mortality and expense risk charges
 - Administrative fees
 - Underlying fund expenses
 - Charges for any special features or riders.
- **Bonus Credits** – Some products offer bonus credits that can add a specified percentage to the amount invested ranging from 1 percent to 5 percent for each premium payment. Bonus credits, however, are usually not free. In order to fund them, insurance companies typically impose high mortality and expense charges and lengthy surrender charge periods.
- **Guarantees** – Insurance companies provide a number of specific guarantees. For example, they may guarantee a death benefit or an annuity payout option that can provide income for life. These guarantees are only as good as the insurance company that gives them.
- **Market Risk** – The possibility that stock fund or bond fund prices overall will decline over short or even extended periods. Stock and bond markets tend to move in cycles, with periods when prices rise and other periods when prices fall.
- **Principal Risk** – The possibility that an investment will go down in value, or "lose money," from the original or invested amount.

4. Mutual Funds Risk

Mutual funds can offer the advantages of diversification and professional management. But, as with other investment choices, investing in mutual funds involves risk and fees and taxes will diminish a fund's returns. We screen and select funds and securities to be added to or removed from your account on a regular basis.

But mutual funds also have features that some clients might view as disadvantages, such as:

- Costs despite Negative Returns — Clients must pay sales charges, annual fees, and other expenses) regardless of how the fund performs. And, depending on the timing of their investment, clients may also have to pay taxes on any capital gains distribution they receive — even if the fund went on to perform poorly after they bought shares.
- Lack of Control — Investors typically cannot ascertain the exact make-up of a fund's portfolio at any given time, nor can they directly influence which securities the fund manager buys and sells or the timing of those trades.
- Price Uncertainty — with an individual stock, you can obtain real-time (or close to real-time) pricing information with relative ease by checking financial websites or by calling your Advisor. You can also monitor how a stock's price changes from hour to hour. But with a mutual fund, the price you purchase or redeem shares for will typically depend on the fund's NAV, which the fund might not calculate until many hours after you've placed your order. In general, mutual funds must calculate their NAV at least once every business day, typically after the major U.S. exchanges close.

The following is a list of some general risks associated with investing in mutual funds.

- Country Risk - The possibility that political events (a war, national elections), financial problems (rising inflation, government default), or natural disasters (an earthquake, a poor harvest) will weaken a country's economy and cause investments in that country to decline.
- Currency Risk -The possibility that returns could be reduced for Americans investing in foreign securities because of a rise in the value of the U.S. dollar against foreign currencies. Also called exchange-rate risk.
- Income Risk - The possibility that a fixed-income fund's dividends will decline as a result of falling overall interest rates.
- Industry Risk - The possibility that a group of stocks in a single industry will decline in price due to developments in that industry.
- Inflation Risk - The possibility that increases in the cost of living will reduce or eliminate a fund's real inflation-adjusted returns.
- Manager Risk -The possibility that an actively managed mutual fund's investment adviser will fail to execute the fund's investment strategy effectively resulting in the failure of stated objectives.
- Market Risk -The possibility that stock fund or bond fund prices overall will decline over short or even extended periods. Stock and bond markets tend to move in cycles, with periods when prices rise and other periods when prices fall.
- Principal Risk -The possibility that an investment will go down in value, or "lose money," from the original or invested amount.

5. Overall Fund Risk

- Clients need to remember that past performance is no guarantee of future results. All funds carry some level of risk. You may lose some or all of the money you invest, including your principal, because the securities held by a fund goes up and down in value. Dividend or interest payments may also fluctuate, or stop completely, as market conditions change.
- Before you invest, be sure to read a fund's prospectus and shareholder reports to learn about its investment strategy and the potential risks. Funds with higher rates of return may take risks that are beyond your comfort level and are inconsistent with your financial goals.

While past performance does not necessarily predict future returns, it can tell you how volatile (or stable) a fund has been over a period of time. Generally, the more volatile a fund, the higher the investment risk. If you'll need your money to meet a financial goal in the near-term, you probably can't afford the risk of investing in a fund with a volatile history because you will not have enough time to ride out any declines in the stock market.

6. Stock Fund Risk

Although a stock fund's value can rise and fall quickly over the short term, historically stocks have performed better over the long term than other types of investments — including corporate bonds, government bonds, and treasury securities.

Overall "market risk" poses the greatest potential danger for investors in stocks funds. Stock prices can fluctuate for a broad range of reasons, such as the overall strength of the economy or demand for particular products or services.

Not all stock funds are the same. For example:

- Growth funds focus on stocks that may not pay a regular dividend but have the potential for large capital gains.
- Income funds invest in stocks that pay regular dividends.
- Index funds aim to achieve the same return as a particular market index, such as the S&P 500 Composite Index, by investing in all — or perhaps a representative sample — of the companies included in an index.
- Sector funds may specialize in a particular industry segment, such as technology or consumer products stocks.

7. Technical Analysis risk

- Technical analysis is derived from the study of market participant behavior and its efficacy is a matter of controversy.
- Methods vary greatly and can be highly subjective; different technical analysts can sometimes make contradictory predictions from the same data.
- Models and rules can incur sufficiently high transaction costs.

Item 9 – Disciplinary Information

Registered Investment Advisers are required to disclose all material facts regarding any legal or disciplinary events that would be material to your evaluation of us or the integrity of our management. We have no information to disclose here about BCM or any of our investment advisors. We adhere to high ethical standards for all advisors and associates. We strive to do what is in your best interests.

Item 10 – Other Financial Industry Activities and Affiliations

The investment adviser representatives of BCM have the following outside business activities and/or affiliations to disclose.

1. Insurance Agent

Scott D. Browning, the Managing Member and Chief Compliance Officer for BCM, is a licensed insurance agent/broker with various companies. Scott D. Browning may sell and recommend life, accident, and health insurance products.

Scott D. Browning may recommend insurance products and may also, as independent insurance agents, sell those recommended insurance products to Clients. When such recommendations or sales are made, a conflict of interest exists as the insurance licensed Investment adviser representatives earn insurance commissions for the sale of those products, which may create an incentive to recommend such products. We require that all investment adviser representatives disclose this conflict of interest when such recommendations are made. Also, we require investment adviser representatives to disclose that Clients may purchase recommended insurance products from other insurance agents not affiliated with us.

2. Attorney

Scott D. Browning is a licensed attorney in California. In addition, Scott D. Browning is currently an inactive attorney in the state of Oregon.

3. Certified Public Accountant

Scott D. Browning is an active Certified Public Accountant in the state of California. Mr. Browning will not have signatory authority over client accounts.

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

1. General Information

We have adopted a Code of Ethics for all supervised persons of the firm describing its high standards of business conduct, and fiduciary duty to you, our client. The Code of Ethics includes provisions relating to the confidentiality of client information, a prohibition on insider trading, a prohibition of rumor

mongering, restrictions on the acceptance of significant gifts, the reporting of certain gifts and business entertainment items, and personal securities trading procedures. All of our supervised persons must acknowledge the terms of the Code of Ethics annually, or as amended.

2. Participation or Interest in Client Accounts

We may recommend securities to you that we have purchased for our own accounts. We may trade securities in our account that we have recommended to you as long as we place our orders after your Orders. This policy is meant to prevent us from benefiting as a result of transactions placed on behalf of advisory accounts.

The following acts are prohibited:

- Employing any device, scheme or artifice to defraud
- Making any untrue statement of a material fact
- Omitting to state a material fact necessary in order to make a statement, in light of the circumstances under which it is made, not misleading
- Engaging in any fraudulent or deceitful act, practice or course of business
- Engaging in any manipulative practices
- Participating in client accounts.

You may request a copy of the firm's Code of Ethics by contacting Scott D. Browning.

3. Personal Trading

We have established the following restrictions in order to ensure our fiduciary responsibilities to you are met:

- No securities for our personal portfolio(s) shall be bought or sold where this decision is substantially derived, in whole or in part, from the role of Investment Advisory Representative(s) of BCM, unless the information is also available to the investing public on reasonable inquiry. In no case, shall we put our own interests ahead of yours.
- We emphasize your unrestricted right to decline to implement any advice rendered.

However, some securities trade in sufficiently broad markets to permit transactions by clients to be completed without an appreciable impact on the markets of the securities. Under certain circumstances, exceptions may be made to the policies stated above. Records of these trades, including the reasons for the exceptions, will be maintained with our records as required.

In addition, open-end mutual funds and/or investment sub-accounts which may comprise a variable insurance product are purchased or redeemed at a fixed net asset value. Therefore, purchases of mutual funds and/or variable insurance products by an advisor are not likely to have an impact on the prices of the fund in which you invest. These types of transactions are not prohibited by our policies and procedures.

Certain affiliated accounts may trade in the same securities with your accounts on an aggregated basis when consistent with our obligation of best execution. When trades are aggregated, all parties will share the costs in proportion to their investment. We will retain records of the trade Order (specifying each participating account) and its allocation. Completed Orders will be allocated as specified in the initial trade order. Partially filled Orders will be allocated on a pro rata basis. Any exceptions will be explained on the Order.

4. Privacy Statement

We are committed to safeguarding your confidential information and hold all personal information provided to us in the strictest confidence. These records include all personal information that we collect from you or receive from other firms in connection with any of the financial services they provide. We also require other firms with whom we deal with to restrict the use of your information. Our Privacy Policy is available upon request.

5. Conflicts of Interest

We have a duty to disclose potential and actual conflicts of interest. Employees have a duty to report potential and actual conflicts of interest to management. All material conflicts of interest under CCR Section 260.238 (k) are disclosed regarding the investment adviser, its representatives or any of its employees, which could be reasonably expected to impair the rendering of unbiased and objective advice. Employees have a duty to report potential and actual conflicts of interest to management. Gifts (other than de minimis gifts, which are usually defined as having a value under \$100.00) should not be accepted from persons or entities doing business with us.

Scott D. Browning employs the same strategy for his personal investment account as he does for his clients. However, he does not place his orders in a way to benefit from the purchase or sale of a security.

We act in a fiduciary capacity. If a conflict of interest arises between us and you, we shall make every effort to resolve the conflict in your favor. Conflicts of interest may also arise in the allocation of investment opportunities among the accounts that we advise. We will seek to allocate investment opportunities according to what we believe is appropriate for each account. We strive to do what is equitable and in the best interests of all the accounts we advise.

6. Use of Disclaimers

We shall not attempt to limit liability for willful misconduct or gross negligence through the use of disclaimers.

Item 12 – Brokerage Practices

1. Soft Dollars

TD Ameritrade Institutional and other third party managers may provide us with certain brokerage and research products and services that qualify as "brokerage or research services" under Section 28(e) of the Securities Exchange Act of 1934 ("Exchange Act"). These research products and/or services will assist the Advisor in its investment decision making process. Such research generally will be used to service all of

the Advisor's clients, but brokerage commissions paid by the client may be used to pay for research that is not used in managing the client's account. The account may pay to a broker-dealer a commission greater than another qualified broker-dealer might charge to effect the same transaction where the Advisor determines in good faith that the commission is reasonable in relation to the value of the brokerage and research services received.

Because soft dollar benefits could be considered to provide a benefit to the adviser that might cause the client to pay more than the lowest available commission without receiving the most benefit, they are considered a conflict of interest in recommending or directing custodial and third party managerial services. BCM mitigates these conflicts of interest through strong oversight of soft-dollar arrangements by the Chief Compliance Officer, in order to assure the soft dollar benefits serve the best interests of the client.

There may other benefits from recommending TD Ameritrade Institutional or other third party managers such as software and other technology that (i) provide access to client account data (such as trade confirmations and account statements); (ii) facilitate trade execution and allocate aggregated trade orders for multiple client accounts; (iii) provide research, pricing and other market data; (iv) facilitate payment of fees from its clients' accounts; and (v) assist with back-office functions, recordkeeping and client reporting.

Other services may include, but are not limited to, performance reporting, financial planning, contact management systems, third party research, publications, access to educational conferences, roundtables and webinars, practice management resources, access to consultants and other third party service providers who provide a wide array of business related services and technology with whom BCM may contract directly. BCM may receive seminar expense reimbursements from product sponsors which may be based on the sales of products to their clients.

2. Best Execution

We have an obligation to seek best execution for you. In seeking best execution, the determinative factor is not the lowest possible commission cost but whether the transaction represents the best qualitative execution, taking into consideration the full range of a broker-dealer's services, including the value of research provided, execution capability, commission rates, and responsiveness. Therefore, we will seek competitive commission rates, but we may not obtain the lowest possible commission rates for account transactions.

3. Brokerage for Client Referrals

In selecting and/or recommending broker-dealers, we do not take into consideration whether or not we will receive client referrals from the broker-dealer or third-party.

4. Directed Brokerage

Not all advisory firms require you to direct brokerage to a specific broker-dealer or custodian. We have an obligation to seek best execution for you. In seeking best execution, the determinative factor is not the lowest possible commission cost but whether the transaction represents the best qualitative execution, taking into consideration the full range of a broker-dealer's services, including the value of

research provided, execution capability, commission rates, and responsiveness. Therefore, we will seek competitive commission rates, but we may not obtain the lowest possible commission rates for account transactions.

By directing brokerage to TD Ameritrade Institutional, you may pay higher fees or transaction costs than those obtainable by other broker-dealers or custodians. In most cases, we believe you are paying a discounted and reasonable rate.

If you elect to select your own broker-dealer or custodian and direct us to use them, you may pay higher or lower fees than what is available through our relationships. Generally, we will not negotiate lower rates below the rates established by the executing broker-dealer or custodian for this type of directed brokerage account, unless we believe that such rate is unfair or unreasonable for the size and type of transaction.

5. Trading

Transactions for each client account generally will be effected independently, unless we decide to purchase or sell the same securities for several clients at approximately the same time. We may (but are not obligated to) combine or “batch” such Orders to obtain best execution, to negotiate more favorable commission rates or to allocate equitably among our clients’ differences in prices and commission or other transaction costs. Under this procedure, transactions will be price-averaged and allocated among our clients in proportion to the purchase and sale orders placed for each client account on any given day.

Transactions placed in an asset management account by a third party manager will be executed through their broker-dealer or custodian. In determining best execution for these transactions, the third party manager is looking at whether the transaction represents the best qualitative execution, taking into consideration the full range of a broker-dealer’s services, including the value of research provided, execution capability, commission rates, and responsiveness. While they look for competitive commission rates, they may not obtain the lowest possible commission rates for account transactions. The aggregation and allocation practices of mutual funds and third party managers that we recommend to you are disclosed in the respective mutual fund prospectuses and third party manager disclosure documents which will be provided to you.

Item 13 – Review of Accounts

1. Duty to Supervise

Scott D. Browning, Chief Compliance Officer, is responsible for ensuring adequate supervision over the activities of all persons who act on our behalf. Specific duties include:

- Establish procedures that could be reasonably expected to prevent and detect violations of law by our advisory personnel
- Analyze operations and create a system of controls to ensure compliance with applicable securities laws

- Ensure that all advisory personnel fully understand the Company's policies and procedures
- Establish a review system designed to provide reasonable assurance that our policies and procedures are effective and being followed.

2. Reviews

Reviews are conducted at least annually or as agreed to by us. Reviews will be conducted by the Chief Compliance Officer, Scott D. Browning. You may request more frequent reviews and may set thresholds for triggering events that would cause a review to take place. Generally, we will monitor for changes and shifts in the economy, changes to the management and structure of a mutual fund or company in which client assets are invested, and market shifts and corrections.

3. Reports

You will be provided with account statements reflecting the transactions occurring in the account on at least a quarterly basis. These statements will be written or electronic depending upon what you selected when you opened the account. You will be provided with paper confirmations for each securities transaction executed in the account. You are obligated to notify us of any discrepancies in the account(s) or any concerns you have about the account(s).

Item 14 – Client Referrals and Other Compensation

We do not receive any economic benefit from someone who is not a client for providing investment advice or other advisory services to our clients nor do we directly or indirectly pay any compensation to another person if they refer clients to us.

Item 15 – Custody

We do not have physical custody of any accounts or assets. However, we may be deemed to have custody of your account(s) if we have the ability to deduct your quarterly fees from the custodian. We use TD Ameritrade Institutional as the custodian and/or broker-dealer for all your accounts. You should receive at least quarterly statements from the broker-dealer or custodian that holds and maintains your investment assets. We urge you to carefully review such statements and compare this official custodial record to the account statements that we may provide to you. Our statements may vary from custodial statements based on accounting procedures, reporting dates, or valuation methodologies of certain securities. If you notice any discrepancies, please contact Scott D. Browning.

We do not debit the client fees directly from your advisory account. Only the custodian has the authority to directly charge and debit fees from your account, which are then forwarded to us. The custodian will provide you immediate transaction confirmations and monthly statements, either by mail or electronically per your request. Monthly statements list the total value of the account at the start and end of the month and itemize all transactions and security positions. For taxable accounts, the custodian will provide you

with consolidated year-end summary statements including IRS forms 1099 and other tax-related forms, as applicable. We are not allowed to make alterations or amendments to the custodian's statement. This preserves the integrity of the custodian's statement and provides you with an independent appraisal of the account.

Standing Letter of Authorization

Browning Capital is deemed to have custody of client funds or securities as a result of maintaining standing letters of authorization (SLOA) for the purpose of distributing funds from a client's account. For those accounts in which we have the ability to initiate distributions from a client's account, via journal, ACH or wire to a third party, which is an account held in the name of someone other than the client, we will ensure the following conditions have been met in order for us to be in compliance with SEC and State Custody Rules and ensure the safe keeping of our client's funds:

1. The client provides an instruction to the qualified custodian, in writing, that includes the client's signature, the third party's name, and either the third party's address or the third party's account number at a custodian to which the transfer should be directed.
2. The client authorizes the investment adviser, in writing, either on the qualified custodian's form or separately, to direct transfers to the third party either on a specified schedule or from time to time.
3. The client's qualified custodian performs appropriate verification of the instruction, such as a signature review or other method to verify the client's authorization and provides a transfer of funds notice to the client promptly after each transfer.
4. The client has the ability to terminate or change the instruction to the client's qualified custodian.
5. The investment adviser has no authority or ability to designate or change the identity of the third party, the address, or any other information about the third party contained in the client's instruction.
6. The investment adviser maintains records showing that the third party is not a related party of the investment adviser or located at the same address as the investment adviser.
7. The client's qualified custodian sends the client, in writing, an initial notice confirming the instruction and an annual notice reconfirming the instruction.

Item 16 – Investment Discretion

We usually receive discretionary authority from you at the beginning of an advisory relationship to select the identity and amount of securities to be bought or sold. This information is described in the Advisory Agreement you sign with us. In all cases, however, this discretion is exercised in a manner consistent with your stated investment objectives for your account.

When selecting securities and determining amounts, we observe the investment policies, limitations and restrictions you have set. For registered investment companies, our authority to trade securities may also be limited by certain federal securities and tax laws that require diversification of investments and favor the holding of investments once made.

We require that any investment guidelines and/or restrictions be provided to us in writing.

Item 17 – Voting Client Securities

As a matter of firm policy and practice, we do not have any authority to and do not vote proxies on behalf of advisory clients. You retain the responsibility for receiving and voting proxies for any and all securities maintained in your portfolios. We may provide advice to you regarding your voting of proxies. We are authorized to instruct the custodian to forward to you or the third party managers copies of all proxies and shareholder communications relating to your account assets.

Item 18 – Financial Information

We are required to provide you with certain financial information or disclosures about our financial condition. We have no financial commitment that would impair our ability to meet any contractual and fiduciary commitments to you, our client. We have not been the subject of any bankruptcy proceedings. In no event shall we charge advisory fees that are both in excess of five hundred dollars and more than six months in advance of advisory services rendered.

Browning Capital Management LLC. received a Paycheck Protection Plan Loan through the U.S. Small Business Administration (“SBA”) in conjunction with the relief afforded from the CARES [Act]. See Item 18 for additional details.