

ADVISER BROCHURE

Updated March 25, 2022

Ponder Investment Co.
10 Cadillac Dr., Suite 120
Brentwood, Tennessee 37027

Item 1

The fact that Ponder Investment Co. is registered as an investment adviser under the U.S. Investment Advisers Act of 1940 does not imply a certain level of skill or training in and of itself.

This brochure provides information about the qualifications and business practices of Ponder Investment Co. If you have any questions about the contents of this brochure, please contact us at 615-690-5541 or email bcesarone@ponderco.com. The information in this brochure has not been approved or verified by the United States Securities and Exchange Commission or by any state securities authority.

Additional information about Ponder Investment Co. also is available on the SEC's website at www.adviserinfo.sec.gov

Item 2 Material Changes

The last annual update to this Brochure was filed in February 2021. There have been no material changes to the brochure since that filing.

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Item 4 Advisory Business

Ponder Investment Co. (the “Company”) provides investment supervisory services to its clients, i.e. it manages and supervises the purchase and sale of securities and other investments for the account of its clients. It has been in business since 1986.

The principal owner of the Company is Christopher Payne:

The Company provides discretionary and non-discretionary investment advisory services to its clients. The Company specializes in providing advice on the purchase or sale of short term and long-term debt instruments, both taxable and tax exempt.

The Company’s advisory services are often tailored to the needs of its individual clients. This is accomplished by a review of the objectives of the clients and the designing of specific guidelines to meet those needs. Clients will on some occasions restrict the type of investments the Company can make.

As of December 31, 2021 the amount of client assets managed is \$1,561,429,908.

Item 5 Fees and Compensation

The Company generally charges clients based on a percentage of assets under management. Such charges are generally negotiable. The Company generally bills clients periodically for its fees. Other fees and expenses that clients may pay include custodian fees. Clients will also incur brokerage and other transaction charges in connection with the management of their accounts. See Item 12 involving brokerage commissions. (Item 12)

Clients generally are billed for fees and expenses in advance, at the beginning of each quarter. Any fees received in advance will be refunded on a pro rata basis upon request in the event of termination.

The Company and its supervised persons do not receive compensation for the sale of securities or other investment products to clients.

Clients have the option to purchase investment products through broker-dealer or agents that are unaffiliated with the Company.

Item 6 Performance-Based Fees and Side by Side Management

The Company does not charge its clients performance-based fees. The Company manages the accounts of its clients, including clients that have the same investments in their portfolios, in the best interest of each client.

Item 7 Types of Clients

The types of clients the Company generally provides investment advice to include state and local municipal entities, nonprofit hospitals, healthcare institutions, higher education institutions, cultural institutions and other institutional investors.

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

The Company's methods of analysis include fundamental analysis, technical analysis and cyclical analysis. The Company's investment strategies include purchase of securities on a long-term basis (assets held at least a year), purchases of securities on a short-term basis (securities sold within a year), trading of securities (selling securities within 30 days of purchase).

Investing in securities involves risk of loss, which clients should be prepared to bear.

Interest Rate Risk. The market value of fixed income securities generally will change inversely with interest rates. As interest rates rise, the value of the securities will decrease. In general, the longer the maturity of the securities held, the greater its sensitivity to interest rate changes.

Spread Risk. The client's portfolio may include investments in different sectors of the fixed income market. Each sector may trade at different relative values over time. The relative spreads between these sectors can move in an adverse direction, thereby affecting the value of the portfolio.

Prepayment Risk. Certain securities, primarily asset-backed and mortgage-backed securities, trade and are valued based on certain prepayment assumptions. When the actual return of principal differs from assumptions, the realized yield on the security, as well as the market value of the security, may be adversely affected.

Credit Risk. Changes in the financial condition of an issuer and changes in specific or general economic or political conditions can affect the credit quality, and therefore market value, of a security.

Liquidity Risk. Although investments will generally be in securities with established markets and will be made via dealers with proven track records for providing liquidity, adverse market conditions may impact the liquidity of certain securities, and therefore the liquidity of interests in the client's portfolio.

The credit markets can experience significant dislocations and volatility. The Company's investment strategy and objectives may be adversely affected if the market dislocation occurs or is exacerbated by other events, such as the failure of significant financial institutions or hedge funds, dislocations in other investment markets, or extrinsic events.

Ratings of the securities purchased by the Company are not a recommendation to buy, hold or sell such securities. The ratings of such securities may be lowered or withdrawn entirely at any time by any of relevant credit rating agencies.

The price of the securities in a client's account could decline and be adversely affected by factors affecting securities markets generally, such as real or perceived adverse economic conditions, supply and demand for particular instruments, changes in the general outlook for the real estate market or corporate earnings, interest rate, volatility and widening credit spreads or adverse investor sentiment generally. Unfavorable market conditions may also limit access to the capital markets. These events could have an adverse effect on the performance of the securities in a client's account.

Clients are exposed to liquidity risks because their portfolio of assets may comprise debt securities and hedges with shorter or longer terms than its sources of funding.

Certain of a client's investments may be or become illiquid. Given the absence of active or regulated trading markets for certain investments and because of the difficulties in accurately determining market values for such investments, it may take the Company longer to liquidate these positions (if they can be liquidated) than would be the case for more liquid investments. The prices realized on the resale of illiquid investments could be less than those originally paid by the Company and thereby adversely affect the performance of the assets.

Derivatives are financial contracts whose value depends on, or is derived from, the value of an underlying asset, reference rate or index. The Company may use derivatives for certain purposes, including, among other things, as a temporary substitute for liquidating a position in a security or securities as part of a strategy designed to liquidate in a more orderly fashion to reduce exposure to other risks, such as interest rate, credit or currency risk. Some of the investments purchased by the Company for client accounts could be characterized as derivatives.

Derivative instruments that may be purchased or sold by the Company include privately negotiated principal-to-principal transactions in which performance is the responsibility of the individual counterparty. The risk of nonperformance by the counterparty on such transactions may be greater and the Company may not be able to dispose of such instruments or enter into offsetting positions through an organized exchange or clearinghouse. Derivative products can be highly specialized instruments that require investment techniques and risk analyses different from those associated with other types of securities, and therefore present certain operational risks as well as interest rate, market and credit risk.

Derivatives also involve the risk of mispricing or improper valuation and the risk that changes in the value of the derivative may not correlate perfectly with the underlying asset, rate or index. If the Company invests in a derivative instrument it could lose more than the principal amount invested. Also, suitable derivative transactions may not be available in all circumstances and there can be no assurance that the Issuer will engage in these transactions to reduce exposure to other risks when that would be beneficial.

The Company may enter into repurchase agreements. When the Company enters into a repurchase agreement, it "sells" securities to a broker, dealer or financial institution, and agrees to repurchase such securities for the price paid by the broker, dealer or financial institution, plus interest at a negotiated rate. The use of repurchase agreements by the Company involves certain risks including that the seller under a repurchase agreement defaults on its obligation to sell the underlying securities.

Valuation of the Client's portfolio of investments may involve uncertainties and judgmental determinations. In particular, independent pricing information may not at times be available with respect to certain of the Issuer's investments. Accordingly, while the Company will use its best efforts to value all of its client's investments fairly, certain investments may be difficult to value and may be subject to varying interpretations of value.

Due to a wide variety of market factors and the nature of certain investments to be held by the client, there is no guarantee that the value determined by the Company will represent the value that will be realized on the eventual disposition of the investment or that would, in fact, be realized upon an immediate disposition of the investment. Moreover, the valuations to be performed by the Issuer are inherently different from the valuation of the Company's investments in the event the Issuer were forced to liquidate all or a significant portion of its investments, which liquidation valuation could be materially lower.

Item 9 Disciplinary Information

There are no legal or disciplinary events that are material to a client's or prospective client's evaluation of or advisory business in the integrity of the Company.

Item 10 Other Financial Industry Activities and Affiliations

Certain shareholders, board members and employees of the Company are also shareholders, board members and employees of Ponder & Co., an employee owned financial advisory firm that was established in 1974 in Southern Illinois to provide specialized services to providers and issuers of private activity bonds including qualified 501c (3) bonds and industrial revenue bonds. The firm is headquartered in Tennessee with offices in select locations including Chicago, Illinois and Brentwood, Tennessee. The Company and Ponder & Co. share certain administrative and overhead expenses including shared office space and human resources. The Company and Ponder & Co. have certain clients in common.

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

The Company and its associated persons have a fiduciary duty to place the interests of the Company before their own interests, to conduct all personal securities transactions consistently with the Code of Ethics and to do so in a manner which does not interfere with the portfolio transactions of the Company, or otherwise take unfair advantage of their relationship to the Company. Employees of the Company must adhere to this general principle as well as comply with the specific provisions of this Code. Technical compliance with this Code will not insulate from scrutiny trades which indicate an abuse of an individual's fiduciary duties to the Company.

The Code is designed to prevent persons with access to information concerning the Company's portfolio trades from personally benefiting from the information. It requires each employee, including officers, of the Company to avoid purchasing or selling any security which at the time is being purchased or sold by the Company, or is being considered for purchase or sale. It also requires employees and officers of the Company to report his/her securities transactions to the Company's Chief Compliance Officer on a quarterly basis. If it is determined by the Chief Compliance Officer that a reported trade resulted from fraudulent, deceptive or

manipulative actions by the reporting person, disgorgement of profits or other punitive action will be taken against such person.

It is the responsibility of all Company personnel to ensure that the Company conducts its business with the highest level of ethical standards and in keeping with its fiduciary duties to its clients. It is also the responsibility of all Company supervisory personnel to see that all applicable Federal securities laws, including the Investment Advisers Act of 1940, the Securities Act of 1933, the Securities Exchange Act of 1934, the Sarbanes-Oxley Act of 2002, Title V of the Gramm-Leach-Bliley Act and any rules promulgated thereunder are complied with and that violations thereof are reported promptly to the Chief Compliance Officer.

The Company has a duty to exercise its authority and responsibility for the benefit of its clients, to place the interests of its clients first, and to refrain from having outside interests that conflict with the interests of its clients. The Company must avoid any circumstances that might adversely affect or appear to affect its duty of complete loyalty to its clients.

With certain exceptions all employees are required to clear in advance of execution through the Chief Compliance Officer, or in the case of a request by the Chief Compliance Officer, through the alternative Chief Compliance Officer, any purchase or sale, direct or indirect, of any security in an Initial Public Offering or in a Limited Offering in which such employee has, or by reason of such transaction acquires, any direct or indirect Beneficial Ownership Interest. The applicable Chief Compliance Officer shall retain written records of such clearance requests.

The Chief Compliance Officer may refuse to preclear a transaction if he or she deems the transaction to involve a conflict of interest, possible diversion of corporate opportunity, or an appearance of impropriety.

The Company and its related persons do not recommend to clients or buy or sell for client accounts, securities in which the Company or a related person has a material financial interest. The Company and its related persons do not recommend securities to clients or buy or sell securities for client accounts at or about the same time that the Company or a related person buys or sells the same securities for the Company's account (or the account of a related person).

Item 12 Brokerage Practices

The Company does not receive research or other products or services other than execution from a broker-dealer or third party in connection with client securities transactions.

In selecting or recommending a broker-dealer, neither the Company nor any related person receives client refunds from a broker-dealer or third party.

The Company permits clients to direct brokerage to selected broker-dealers, in which case the Company may not be able to get the best price and execution for the client and such brokerage commissions may be more costly for the client. The Company often does recommend and request the use of certain broker-dealers, and in many such cases has preexisting business relationships with such broker-dealers. Not all clients require directed brokerage.

The Company may aggregate trades of clients if it determines that such aggregation is consistent with the best execution and fair treatment for clients.

Item 13 Review of Accounts

Accounts are reviewed and monitored on an ongoing basis by the assigned lead portfolio manager. All decisions are made on a team basis. The two portfolio managers (Managing Director and President & CEO) execute this process with input from other Company personnel. Any changes in individual client guidelines, operating environment or industry outlook will generate a review of the portfolio. Any significant market changes considered material to our investment outlook will be the basis for a formal review.

Item 14 Client Referrals and Other Compensation

Julian Head, a shareholder in The Company and CEO and a shareholder of Ponder & Co. (see Item 10), may be compensated directly for successful client referrals.

The Company does not compensate any outside third parties for client referrals. The Company does not receive any economic benefit from any person not a client for providing advisory services.

Item 15 Custody

The client will receive account statements from the custodian of its funds and securities. The client should carefully review these statements. If the client also receives an account statement from the Company it should compare such account statement with the account statement from the custodian.

Item 16 Investment Discretion

The Company provides both discretionary and non-discretionary investment advisory services to client.

Item 17 Voting Client Securities

The Company intends to exercise a voice on behalf of its clients that have authorized the Company to vote on their behalf in matters of corporate governance through the proxy voting process. We take our fiduciary responsibilities very seriously and believe the right to vote proxies is a significant asset of clients. We exercise our voting responsibilities as a fiduciary, solely with the goal of maximizing the value of our clients' investments.

We will vote proxies solely in the interests of our clients. We recognize that a substantial portion of the securities of our clients are fixed income securities that normally would not provide the opportunity to vote such fixed income securities in the following situations, absent some unusual circumstances. However, in these cases the Company will vote as herein described. Any conflict of interest must be resolved in the way that will most benefit our clients. Since the quality and depth of management is a primary factor considered when investing in a company, we give substantial weight to the recommendation of management on any issue. However, we

will consider each issue on its own merits, and the position of a company's management will not be supported in any situation where it is found not to be in the best interests of our clients. Proxy voting, absent any unusual circumstances or conflicts or conflicts of interest, will be conducted in accordance with the procedures set forth below.

Clients may instruct the Company to send them proxy voting materials.

Clients may obtain the Company's proxy voting policies and procedures upon request.

Item 18 Financial Information

The Company agrees that it will disclose to its clients any financial condition that is reasonably likely to impair its ability to meet the contractual commitments to clients.

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BROCHURE SUPPLEMENT

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Item 2 Educational Background and Business Experience of Supervised Persons

Chief Compliance Officer:

Britt A. Cesarone, CFA – Born 1964

B.S. – University of Tulsa – Petroleum Engineering

MBA – DePaul University – Business Administration

Employed by Ponder Investment Co. since 2003

Employed by Advisory Research Inc. from 2000 to 2003

Employed by Pacific Income Advisers from 1999 to 2000

David A. Hiteshew, CFA – Born 1962

B.S. – Florida State University – Finance and Economics

Employed by Ponder & Co./ Ponder Investment Co. since 2004

Employed by Asset Allocation and Management 2002-2004

Employed by Scudder, Kemper 1995- 2002

Senior investment personnel are required to have completed a four-year degree and at least five years in the investment/banking industry.

Item 3 Disciplinary Information

There have been no material legal or disciplinary events in the last 10 years, including criminal and civil actions, administrative proceedings before the SEC, nor any other federal regulatory agency, any state regulatory or any foreign financial regulatory authority, self-regulatory organization or any other proceeding in which the license of the supervised person was revoked or suspended.

Item 4 Business Activities

The supervised persons are not actively engaged in any investment-related business as a broker-dealer, registered representative of a broker-dealer, futures commission merchant,

commodity pool operator, commodity trading adviser or associated person of FCM, CPO or CTA. Certain shareholders, board members and employees of the Company are also shareholders, board members and employees of Ponder & Co. The Company and Ponder & Co. share certain administrative and overhead expenses including shared office space and human resources. The Company and Ponder & Co. have certain clients in common.

1. The advisory business employs the supervised persons who are compensated with a salary and bonus based on the performance of the overall Company. There are no other financial advisory activities that create a conflict of interest with clients.

2. The supervised persons receive no commissions, bonuses or other compensation based on the sale of securities, or other investment products, including distribution or service from the sale of mutual fund shares.

Item 5

No one who is not a client provides any economic benefit to the supervised person for providing advisory services. Economic benefits include sales awards and other payments, but do not include the supervisory person's regular salary.

Item 6

Each client portfolio is reviewed by the back-up portfolio manager on a periodic (quarterly) basis for compliance with client objectives and guidelines. The results of those reviews are in turn reviewed by the Chief Compliance Officer on a periodic (annual) basis.

Item 7

The supervised persons have not been involved in certain theft, embezzlement or other wrongful taking of money.

The supervised persons have not been the subject of a bankruptcy petition.