



Part 2A of Form ADV Firm Brochure
March 2022

This Brochure provides information about the qualifications and business practices of GENERATION CAPITAL MANAGEMENT, LLC ["GCM"]. If you have any questions about the contents of this Brochure, please contact us at (585) 232-8560 and/or mdejohn@gencapmgt.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.

Generation Capital Management, LLC 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 about which you determine to hire or retain an Adviser. Additional information about Generation Capital Management, LLC also is available on the SEC's website at www.adviserinfo.sec.gov.

1163 Pittsford-Victor Road, Suite 100, Pittsford, NY 14534

400 Andrews Street, Suite 120, Rochester, NY 14604

Phone: (585) 232-8560 • www.gencapmgt.com



Item 2 – Material Changes

The following is considered a material change since the last Annual Update of Form ADV 2A in March 2021.

- GCM has updated its ownership interest as outlined in Item 4 of Form ADV Part 2A;
- GCM has updated Item 4 and Item 5 to include a discussion of our standalone financial planning services we are offering under the working name “genPOWERMENT” and the associated fees.

Currently, our Brochure may be requested by contacting Mary Anne DeJohn at (585) 232-8560 or mdejohn@gencapmgt.com.

Additional information about Generation Capital Management, LLC is also available via the SEC’s website www.adviserinfo.sec.gov. The SEC’s website also provides information about any persons affiliated with GCM who are registered, or are required to be registered, as investment adviser representatives of GCM.

Item 3 – Table of Contents

Item 1	Cover Page	.....	1
Item 2	Material Changes	.....	2
Item 3	Table of Contents	.....	3
Item 4	Advisory Business	.....	4
Item 5	Fees and Compensation	.....	9
Item 6	Performance-Based Fees and Side-By-Side Management	.....	11
Item 7	Types of Clients	.....	11
Item 8	Methods of Analysis, Investment Strategies and Risk of Loss	.....	11
Item 9	Disciplinary Information	.....	13
Item 10	Other Financial Industry Activities and Affiliations	.....	13
Item 11	Code of Ethics	.....	13
Item 12	Brokerage Practices	.....	14
Item 13	Review of Accounts	.....	16
Item 14	Client Referrals and Other Compensation	.....	17
Item 15	Custody	.....	17
Item 16	Investment Discretion	.....	17
Item 17	Voting Client Securities	.....	17
Item 18	Financial Information	.....	18



Item 4 – Advisory Business

Generation Capital Management, LLC (“GCM”) is a Rochester, NY-based independent, fee-based, SEC Registered Investment Advisor. GCM was founded in 2003 by Scott Nasca. Mr. Nasca is the firm’s President, Chief Investment Officer and majority owner. As of 12/31/21, Kasey Wopperer, Director of Equity Research & Investments, owns less than 5% of the firm.

As of December 31, 2021, GCM manages client assets of \$852,412,894 including \$111,350,662 on a discretionary basis and \$741,062,232 on a non-discretionary basis.

Business Focus

GCM provides intelligent, unbiased portfolio and investment management and consulting services for individuals, high net worth individuals, charities, trusts and estates, corporations, retirement plans, municipal government entities and foundations.

Initial Consultation

Before we begin managing client portfolios, we engage a new or potential client in a pre-advisory consultation to gain better insight into the clients’ financial situation and expectations. During this consultation, we:

- Review the individual’s (or organization’s) goals, tax situation, financial needs and limitations
- Gauge the individual’s (or organization’s) risk tolerance
- Conduct an analysis of current investment strategies and asset allocation

By understanding each of these financial characteristics and communicating our investment philosophy, we can proceed with developing an investment strategy for the client and setting the expectations for our client-advisor relationship.

Based on this conversation, the client typically selects a targeted allocation (fixed income, conservative balanced, balanced (fifty/fifty), growth balanced and equity). A large majority of our clients fit into one of these categories. However, we also take into consideration special situations such as restrictions on certain securities or asset classes, liquidity needs and tax situations when managing portfolios. We continuously manage the investments in the portfolios and the guidelines for each account are reviewed as needed with clients for any changes in the basic assumptions.

Investment Advisory Services

GCM provides discretionary portfolio management and retirement plan consulting services.

- 1) **Portfolio Management.** GCM offers active money management services for individuals, high net worth individuals, retirement plans, corporations, charities, institutions, trusts and estates, municipal government entities and foundations.

- a) **Investment Philosophy.** We believe the optimal strategy for long-term success requires extensive diversification across asset classes, sectors and styles. Our commitment to broad market representation by its very nature curtails risk and creates well-diversified portfolios. Because no single investment strategy can outperform over an extended period of time, we provide our clients with the diversification necessary to eliminate the risk associated with single-strategy or single-sector investing.
- b) **Investment Strategy.** In order to reduce risk for our clients, GCM is attracted to the broad diversification and variety of styles of management as well as the opportunity to allocate assets to the domestic and global markets. We combine an active investment approach with a disciplined investment strategy. We generally prefer a macroeconomic approach (top-down) to investing as precursor to individual security selection (bottom-up). Historically, certain sectors tend to do better than others during specific segments of the economic cycle. We combine the reliability of historical trends while factoring in current market conditions to set our targeted asset allocation. Our bottom-up analysis employs multiple analytic techniques including fundamental and technical analysis.
- c) **Securities Used.** Generally, client portfolios will be comprised of equity and fixed income securities, exchange traded funds (ETFs), and closed-end funds (CEFs), depending on the client's strategy. We may also use special purpose acquisition companies (SPACs), if deemed appropriate. For its Plan Sponsor clients, GCM may also use open-end mutual funds. For the portion of the clients' portfolio invested in open-end mutual funds and closed-end funds, the client generally pays two advisory fees. First, the client pays a standard quarterly fee on the market value of total assets managed by GCM which can include assets in closed-end and open-end funds. Second, there is a management fee paid at the fund level which is deducted from the fund's net asset value. Likewise, other operating expenses are automatically deducted at the fund level. GCM has an active policy of monitoring the expense ratios of the registered investment companies to determine their size and appropriateness.
 - i) **About Equity Securities:** Equity securities are an instrument that signifies a position in a corporation and represents a claim on its proportional share in the corporation's assets and profits. Types of equity securities include, for example, common stocks, preferred stocks, and real estate investment trusts (REITs).
 - ii) **About Fixed Income Securities:** Fixed-income securities pay interest, dividends, or distributions at a specified rate. The rate may be a fixed percentage of the principal or may be adjusted periodically. In addition, the issuer of a fixed-income security must repay the principal amount of the security, normally within a specified time. Types of fixed income securities include, for example, treasury securities, government securities, and corporate debt securities.
 - iii) **About Exchange Traded Funds (ETFs):** An ETF is a fund that tracks an index, sector, or other asset, but which can be purchased or sold on a stock exchange the same way a regular stock can.

- iv) **About Closed-End Funds (CEFs):** Closed-end investment companies are publicly traded on the New York and American Stock Exchanges. Frequently, the selling price on the exchange or market value price is below the fund's net asset value and therefore, represents an undervalued or inefficiently priced security. The discount to net asset value is one of the most important criteria for selecting closed-end funds. The effect of the discount often negates the additional expense paid at the fund level and provides the opportunity for higher returns over time than constructing a portfolio of individually purchased investments.
- v) **About Special Purpose Acquisition Companies (SPACs):** SPACs are entities organized to merge with or acquire an existing company within a stated time frame, and the capital for SPACs is raised through an initial public offering (IPO). After the IPO, the proceeds are placed into a trust account held at a custodian independent of the SPAC management team and monitored by a third-party trust company until a transaction is found or the SPAC is liquidated. When in the trust account, the net proceeds are invested in United States government securities having a maturity of 180 days or less, or in money market funds which invest only in direct U.S. government treasury obligations. Further, management teams might contribute additional money to the trust account to incentivize investors to purchase the IPO. After the SPAC IPO, units split into their individual components and are exchange-traded. Like CEFs, SPACs can trade at a discount/premium to the trust value. By purchasing the shares below the trust value, we are essentially buying shares at a discount to such value. If the management company finds an attractive acquisition, shares of the SPAC could trade above trust value.
- d) **Portfolio Targets.** The table below shows the various portfolio allocations chosen by the majority of GCM clients. Each allocation seeks to maintain a percentage of equity and/or fixed income instruments in the portfolio. These targets can vary by $\pm 15\%$ based on market conditions. GCM increases exposure to equity markets and/or fixed income markets when macroeconomic research suggests it is prudent to do so.

Allocation	Targeted Percentage of Portfolio (Equity)	Targeted Percentage of Portfolio (Fixed Income)
Equity	100%	0%
Growth Balanced	70%	30%
Balanced	50%	50%
Conservative Balanced	30%	70%
Fixed Income	0%	100%

GCM also provides an investment advisory service known as "Cash Investment Management Service".



Important Disclosure for Retirement Plan Account & Individual Retirement Account Clients:

When we provide investment advice to you regarding your retirement plan account or individual retirement account, we are fiduciaries within the meaning of Title I of the Employee Retirement Income Security Act and/or the Internal Revenue Code, as applicable, which are laws governing retirement accounts. The way we make money creates some conflicts with your interests, so we operate under a special rule that requires us to act in your best interest and not put our interest ahead of yours. Under this special rule's provisions, we must:

- Meet a professional standard of care when making investment recommendations (give prudent advice);
- Never put our financial interests ahead of yours when making recommendations (give loyal advice);
- Avoid misleading statements about conflicts of interest, fees, and investments;
- Follow policies and procedures designed to ensure that we give advice that is in your best interest;
- Charge no more than is reasonable for our services; and
- Give you basic information about conflicts of interest.

Investors considering rolling over assets from a qualified employer-sponsored retirement plan ("Employer Plan") to an Individual Retirement Account ("IRA") should review and consider the advantages and disadvantages of an IRA rollover from their Employer Plan. A plan participant leaving an employer typically has four options (and may engage in a combination of these options):

- (1) Leave the money in the former employer's plan, if permitted;
- (2) Rollover the assets to a new employer's plan (if available and rollovers are permitted);
- (3) Rollover Employer Plan assets to an IRA; or,
- (4) Cash out the Employer Plan assets and pay the required taxes on the distribution.

At a minimum, Investors should consider fees and expenses, investment options, services, penalty-free withdrawals, protection from creditors and legal judgments, required minimum distributions, and employer stock. We encourage you to discuss your options and review the above listed considerations with an accountant, third-party administrator, investment advisor to your Employer Plan (if available), or legal counsel, to the extent you consider necessary.

We have an economic incentive to encourage investors to rollover Employer Plan assets into an IRA managed by us, as we will earn fees as a result.

- 2) **Retirement Plan Consulting.** GCM also provides consulting services to retirement plan sponsors who utilize mutual funds as investment choices for plan participants. GCM provides this service to both non-ERISA and ERISA Plans. GCM does not act as, or assume the duties of, a trustee or the Plan Administrator. For the large majority of retirement plan clients, GCM has no discretion over the investment of Plan assets or the management, administration or any other aspect of the Plan.

GCM offers the following Retirement Plan Consulting Services:

- a) **Provide non-discretionary investment advice** to the Client about asset classes and investment alternatives available for the Plan in accordance with the Plan's investment policies and objectives. Client shall have the final decision-making authority regarding the initial selection, retention, removal and addition of investment options.
- b) **Assist the Client with the selection of a broad range of investment options.**
- c) **Assist the Client in the development of an investment policy statement (IPS).** The IPS establishes the investment policies and objectives for the Plan. Client shall have the ultimate responsibility and authority to establish such policies and objectives and to adopt and amend the investment policy statement.
- d) **Assist in monitoring investment options** by preparing periodic investment reports that document investment performance, consistency of fund management and conformance to the guidelines set forth in the IPS and make recommendations to maintain or remove and replace investment options.
- e) **Meet with Client on a periodic basis** to discuss the reports and the investment recommendations.

GCM may also provide discretionary investment advice to these Plan Sponsor clients. This includes (1) developing an investment policy statement (IPS) for the Client, (2) selecting a broad range of investment options consistent with ERISA Section 403(c) and the regulations thereunder, and (3) providing ongoing and continuous discretionary investment management with respect to the asset classes and investment alternatives under the Plan in accordance with the IPS. Under this authority, GCM may remove and replace the investment alternatives available under the Plan in its discretion.

As part of our contractual relationship with our Plan Sponsor clients, GCM may in some instances provide services to the employees of employer-sponsored retirement plan clients that generally consist of educational meetings on saving and investing for retirement, and the investment alternatives available under the Plan.

GCM does not handle plan administration, recordkeeping, and other actuarial/legal matters. However, we may provide a review of the service providers for each of these areas and/or provide referrals.

- 3) **Financial Planning Services.** Additionally, GCM offers standalone financial planning services to its clients under the working name "genPOWERMENT" pursuant to a written agreement. These services are provided at varying levels depending on the nature and complexity of the client's situation. The planning or consulting may encompass one or more areas of need, including, but not limited to financial goal setting, debt management, estate planning, cash flow and budgeting, education funding and retirement planning.

All financial planning recommendations are based on information gathered through any of the following: client questionnaires, emails and telephone discussions, and the scope of the relationship can only be as in depth as the information that they provide to GCM.

- 4) **Divorce Financial Analysis.** GCM also works with clients contemplating divorce or in the midst of the divorce process and their attorneys, to compile the statement of net worth, document standard of living, and analyze the financial effects of various potential settlement provisions.



Item 5 – Fees and Compensation

GCM charges fees for its investment advisory services that are based on a percentage of the client's total assets under management. Fees are negotiable and therefore may vary by client.

Portfolio Management

The current (as of 12/31/2021) fee schedule for Asset Management Service is as follows:

Fee Schedule for Asset Management:		
<u>Fixed Income</u>	<u>Equity and Balanced</u>	
0.80%	1.00%	of market value on the first \$2,000,000
0.70%	0.85%	of market value on the next \$3,000,000
0.50%	0.65%	of market value on the next \$5,000,000
0.40%	0.55%	of market value over \$10,000,000

The current (as of 12/31/2021) fee schedule for Cash Management Service is as follows:

Fee Schedule for Cash Management	
0.70%	of market value on the first \$2,000,000
0.60%	of market value on the next \$3,000,000
0.40%	of market value on the next \$5,000,000
0.30%	of market value over \$10,000,000

For both of the above management fee schedules, the fee is computed, charged quarterly in advance. There is no minimum fee for portfolio management services.

The long-term custody costs associated with the bank custodian utilized by GCM are as follows and are included in the above management fees.

Long Term Custody Costs	
Annual administrative account fee	\$400

As stated in the discretionary investment management contract signed by each client, the client or GCM can terminate the investment management contract with thirty days written notice. The termination date is thirty days from the date the written notice was received by GCM. During the thirty-day period, GCM will determine where the client wants the assets delivered or, acting on client instructions, GCM will sell certain or all assets and deliver cash on termination. Our goal is to



provide the client an orderly transition of assets. For any clients who have pre-paid fees, the final fee will be computed from the date of the last fee to the date of termination. GCM will refund those fees not earned to the client during the thirty-day period. When a client terminates management services with GCM, the client also terminates the master custody fee arrangements that GCM has negotiated.

The client's written agreement with GCM establishes the specific manner in which fees are charged. GCM typically bills its fees on a quarterly basis. Clients may elect either to (1) authorize GCM to directly debit fees from client accounts or (2) be billed directly for fees. Accounts initiated or terminated during a calendar quarter will be charged a prorated fee. GCM will not prorate fees for capital contributions and withdrawals made during an applicable calendar quarter. Upon termination of any account, GCM will refund any prepaid, unearned fees and collect any earned, unpaid fees.

GCM's fees are exclusive of brokerage commissions, transaction fees, and other related costs and expenses which shall be incurred by the client. Clients may incur certain charges imposed by custodians, brokers, third party investment and other third parties such as 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 and exchange traded funds also charge internal management fees, which are disclosed in a fund's prospectus. Such charges, fees and commissions are exclusive of and in addition to GCM's fee, and GCM shall not receive any portion of these commissions, fees, and costs.

Item 12 further describes the factors that GCM considers in selecting or recommending broker dealers for *client* transactions and determining the reasonableness of their compensation (*e.g.*, commissions).

Retirement Plan Consulting

The management fees assessed for retirement plan consulting services vary based on the size of the account and the consulting services requested. GCM's annual fee can range from .1% to 1% of the total plan assets under management or the annual fee can be a flat charge fee. In some cases, GCM may also include an annual minimum fee based on asset size and scope of service. GCM may also charge a flat charge fee in lieu thereof on a per job basis.

Financial Planning Only Services

The fees for our standalone financial planning services are negotiable and can range from \$400 to \$4,000, depending upon the level and scope of the services provided.

Divorce Financial Analysis

Fees for Divorce Financial Analysis are charged on an hourly basis and are negotiable.

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

GCM does not charge any performance-based fees (fees based on a share of capital gains or capital appreciation of the assets of a client).

Item 7 – Types of Clients

GCM provides portfolio management services to individuals, high net worth individuals, retirement plans, corporations, trusts, estates, charitable institutions, municipal government entities and foundations. GCM requires a minimum account size of \$100,000; however, this requirement can be waived at GCM's discretion.

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

GCM combines an active investment approach with a disciplined investment strategy in order to best achieve the individual goals of our clients.

Equity Analysis

We generally prefer a macroeconomic approach to investing as a precursor to bottom-up security selection. In addition to monitoring a distinct set of macroeconomic indicators, we also identify business and economic cycle stages, recognizing that certain sectors outperform during specific stages. This top-down analysis is used to set our targeted asset allocation.

Our bottom-up analysis employs multiple analytic techniques, including fundamental and technical analysis, to ascertain which securities we will place in our portfolio. In doing so, we apply objective evaluation methods to various investments over specific time periods.

GCM invests principally in domestic equity securities, exchange-traded funds (ETFs) and closed-end funds (CEFs). GCM may also invest in Special Purpose Acquisition Companies (SPACs). ETFs and CEFs are “pooled” arrangements that allow us to participate in particular types of investments and/or markets. These types of instruments also allow for greater diversification when compared with using individual stocks.

We believe close monitoring and review combined with a sound, disciplined investment strategy is imperative to successful investing. We will provide our clients with these services and do so with the expressed intention of achieving individual goals through suitable investment alternatives in the most objective, cost-efficient manner.

Fixed-Income Analysis

Our fixed income management begins by assessing key domestic and international macroeconomic factors. This macroeconomic analysis serves as the foundation as we consider three main top-down criteria, listed below:

1. **Duration Management:** Our duration decision is formulated by looking at current interest rates and anticipated interest rate movements, anticipated inflation and monetary policy.



Our goal is to provide our clients with a portfolio that carries lower interest rate sensitivity than the market.

2. **Yield Curve Analysis:** We position portfolios to optimize returns according to the expected changes in the yield curve based on historical intra-curve spread relationships. Our yield curve analysis may dictate a barbell, bullet, laddering, or indexing strategy.
3. **Sector Analysis:** We analyze historical yield spreads and credit risks. Our goal is to allocate to those sectors we believe may be undervalued in the marketplace.

Our security selection process considers relative yield, optionality, balance sheets and liquidity. This objective is implemented with a diverse blend of treasury bonds, corporate bonds, agencies, preferred stocks and money market instruments. We also include closed-end funds (CEFs) and exchange-traded funds (ETFs) to further capture value and increase diversity.

Retirement Plan Analysis

GCM utilizes multiple investment analytical tools including Fi360, Morningstar, and in-house analytics for the monitoring and review of mutual funds for our Plan Sponsor clients. GCM evaluates, recommends and monitors mutual funds based on a range of criteria dependent upon the client's needs and consistent with the client's Investment Policy Statement.

Risk of Loss

Investing in securities involves risk of loss that clients should be prepared to bear. Stock market and bond markets fluctuate over time and can lose value. Performance of any investment is not guaranteed. GCM does not guarantee future performance, any specific level of performance or the success of any particular investment decision or strategy. Depending on the types of securities you invest in, you may face the investment risks described below:

Market Risk: Stock markets can be volatile. In other words, the prices of stocks can fall rapidly in response to developments affecting a specific company or industry, or to changing economic, political or market conditions. Investments may decline in value if the stock markets perform poorly. There is also a risk that the investments will underperform either the securities markets in general or particular segments of the securities markets.

Closed-End Fund and Exchange-Traded Fund Risk: There are specific risks involved in the management of closed-end funds and exchange-traded funds which are described in detail in their prospectus. In general, CEFs and ETFs expose the investor to the strategy-specific risk of the fund. CEFs and ETFs are also subject to market volatility and risk of loss.

Special Purchase Acquisition Companies Risk: The primary risk is that SPAC managers will err in choosing a target that uses the SPAC's capital to affect a business plan that fails. There is also the risk that the SPAC management will fail to acquire a private company. All investor funds are held in trust prior to acquisition and must be returned in the event there is no acquisition or a shareholder elects to receive a pro-rata portion of the trust on the acquisition date. Additionally, there is also post-acquisition market risk if the acquired business fails or from a down market, even if a quality transaction eventuates.

Portfolio Turnover Risk: Portfolio turnover refers to the rate at which investments are replaced. The higher the rate, the higher the transactional and brokerage costs associated with the turnover which may reduce the return, unless the securities traded can be bought and sold without corresponding commission costs. Active trading of securities may also increase your realized capital gains or losses, which may affect the taxes you pay.

Foreign Risk: Foreign markets can be more volatile than the U.S. market due to increased risks of adverse issuer, political, regulatory, market or economic developments and can perform differently from the U.S. market. Special risks associated with investments in foreign companies include exposure to currency fluctuations, less liquidity, less developed or less efficient trading markets, lack of comprehensive company information, political instability and differing auditing and legal standards.

Small and Medium-Size Company Risk: Small and medium size companies may have narrower markets and more limited managerial and financial resources than to larger, more established companies. As a result, their performances can be more volatile, and they may face a greater risk of business failure.

Issuer-Specific Risk: The value of a specific security can be more volatile than the market as a whole and can perform differently from the value of the market as a whole. The value of securities of smaller issuers can be more volatile than that of larger issuers. The value of certain types of securities can be more volatile due to increased sensitivity to adverse issuer, political, regulatory, market or economic developments. Fixed-income securities may be less readily marketable and may be subject to greater fluctuation in price than other securities.

Interest Rate Risk: There is the potential for investment losses that result from a change in interest rates. Bonds and interest rates have an inverse relationship. For example, when interest rates rise, bond prices fall.

Technology Risk: There is the potential for any technology failure to disrupt a business. Companies face many types of technology risks, such as information security incidents, cyberattacks, password theft, service outages, and more.

Item 9 – Disciplinary Information

None.

Item 10 – Other Financial Industry Activities and Affiliates

GCM has no other financial industry activities or affiliates to report.

Item 11 – Code of Ethics

GCM has adopted a Code of Ethics for all supervised persons of the firm describing its high standard of business conduct, and fiduciary duty to its clients. All supervised persons at GCM must acknowledge the terms of the Code of Ethics annually, or as amended. This Code of Ethics for GCM (summarized below) expects that all employees will:



- Pursuant to Section 206 of the Advisors Act, both GCM and its employees are prohibited from engaging in fraudulent, deceptive or manipulative conduct.
- GCM and its employees have an affirmative duty to act solely in the best interests of GCM clients.
- Understand that a material breach of the provisions of the Code may constitute grounds for disciplinary action, including termination of employment with GCM.
- No supervised person may trade, either personally or on behalf of others, while in the possession of material, non-public information, nor may any personnel of GCM communicate material, non-public information to others in violation of the law.
- The interests of client accounts will at all times be placed first.
- All personal securities transactions will be conducted in such manner as to avoid any actual or potential conflict of interest or any abuse of any individual's position of trust and responsibility.
- Pre-clearance required for participation in IPOs, and private or limited offerings.
- Supervised persons should not accept or provide any gifts or favors that might influence the decisions you or the recipient must make in business transactions involving GCM.
- Any supervised person who accepts, directly or indirectly, anything of value from a person or entity that does business with or on behalf of GCM, including gifts and gratuities with value in excess of \$300 per year must obtain consent from Scott Nasca before accepting such a gift.
- All information regarding GCM clients is confidential. Information may only be disclosed when the disclosure is consistent with the firm's policy and the client's direction.
- Every employee must provide an initial holdings report within ten days of hire, and personal securities transactions must be submitted within thirty days of the close of any calendar quarter.
- Every employee is accountable with respect to compliance, and the interpretation and enforcement of the Code of Ethics.

We will treat all clients, vendors and contact people with integrity and honesty and will always be fair when conducting business in the name of GCM.

GCM's clients or prospective clients may request a copy of the firm's Code of Ethics.

GCM has a policy that allows employees to maintain personal securities accounts provided any personal investing by an employee in any accounts in which the employee has a beneficial interest, including any accounts for any immediate family or household members is consistent with GCM's fiduciary duty to its clients and consistent with regulatory requirements. Each employee must identify any personal investment accounts and report all reportable transactions and investment activity (in the form of a brokerage or bank statement) on at least a quarterly basis to the firm's compliance officer.

Item 12 – Brokerage Practices

GCM does not maintain custody of your assets [that we manage/on which we advise], although we may be deemed to have custody of your assets if you give us authority to withdraw assets from your account (see Item 15). Your assets must be maintained in an account at a "qualified custodian," generally a bank or a broker-dealer.



Each new client signs a Discretionary Investment Management Agreement that includes a Limited Power of Attorney, Fee Agreement and Risk Allocation. There are usually no limitations on Generation Capital Management, LLC's authority regarding the selection of brokers and dealers to be used, commission rates paid, and securities and amounts of securities that can be purchased or sold, although a few exceptions exist where clients may restrict certain investments. These restrictions usually regard issues including: debt rating, social issues, foreign investments, and maximum percentage holdings of any investment type. Any investment restrictions are mutually agreed upon in advance by GCM and the client.

Generation Capital Management, LLC adheres to the following brokerage allocation policies and practices. In most instances, where a specific agreement is reached between GCM and a client, GCM retains the authority to determine, without specific client consent, the broker-dealer to be used in any securities transaction and the commission rate to be paid. GCM does not generally suggest broker-dealers to clients.

GCM considers the full range of a broker-dealer's services in placing brokerage, including but not limited to:

- the value of research provided;
- execution capability;
- commission rate;
- financial responsibility; and
- responsiveness to GCM's directions.

Generation Capital Management, LLC uses the value of products, research and services given to it as factors in its decision to utilize a broker-dealer, the products, research and services received by GCM include the following types of items:

- advisory reports on industries and securities;
- economic, financial, and political data;
- technical and fundamental data;
- specific security analysis;
- research oriented services (e.g., FactSet and Advent Software);
- trading strategies;
- services including client short-term custody; clearance and settlement systems (e.g., Depository Trust Company).

As a result of obtaining these products, research and services, clients may pay commissions higher than those obtainable from other broker-dealers in return for such products, research and services. When selecting broker-dealers to execute securities transactions, and when determining the reasonableness of commissions paid, GCM takes into consideration the value of products, research and services given to GCM by the executing broker. However, Generation Capital Management, LLC does not, and will not sacrifice the principles of best qualitative execution for the client's account as a determinative factor in selecting a broker-dealer.

The benefits of the products, research and services ("soft dollar benefits") are viewed by GCM as global for all its clients rather than on a client-by-client basis. Soft dollar benefits are not limited to



those clients who may have generated a particular benefit although certain soft dollar allocations are connected to particular clients or groups of clients. Soft dollar benefits are not proportionally allocated to any accounts that may generate different amounts of the soft dollar benefits.

Some of the products, research and services received by GCM may serve a dual purpose of providing research for the benefits of clients and administrative assistance for the benefit of GCM. For these mixed-use situations GCM makes a reasonable allocation of the cost of products, research and services according to its anticipated use. The portion which assists GCM in making investment decisions may be paid for by the higher commission costs, while the portion which does not relate to the investment decision process is paid for directly by GCM. GCM maintains books and records relative to the allocation of the anticipated use of the mixed-use product, research or service in order to demonstrate a good faith attempt under all circumstances to make the appropriate allocation.

GCM places block trade orders through brokerage firms that maintain omnibus trading accounts that are in the name of the custodian bank as custodian for the clients of Generation Capital Management, LLC. The omnibus accounts represent subsidiary custodians for the bank custodian. When the trades are settled, they are immediately reflected on the bank custodian's records.

GCM has instituted a policy prohibiting cross transactions between its managed accounts.

Mutual Fund Share Class Selection

Mutual funds generally offer multiple share classes available for investment based upon certain eligibility and/or purchase requirements. For instance, in addition to retail share classes (typically referred to as class A, class B and class C shares), funds may also offer institutional share classes or other share classes that are specifically designed for purchase by investors who meet certain specified eligibility criteria, including, for example, whether an account meets certain minimum dollar amount. Institutional share classes usually have a lower expense ratio than other share classes. When recommending investments in mutual funds, it is GCM's policy to review and consider available share classes. Our policy is to select the most appropriate share classes based on various factors including but not limited to: minimum investment requirements, trading restrictions, internal expense structure, transaction charges, availability and other factors. When considering all the appropriate factors, we can select a share class other than the 'lowest cost' share class. In order to select the most appropriate share class, we consider retail, institutional or other share classes of the same mutual fund. Regardless of such considerations, clients should not assume that they will be invested in the share class with the lowest possible expense ratio. Clients should ask their adviser whether a lower cost share class is available instead of those selected by the Firm. GCM periodically reviews the mutual funds held in Plan Sponsor client accounts to select the most appropriate share classes in light of its duty to obtain best execution.

Item 13 – Review of Accounts

Scott Nasca monitors the accounts on a continuous basis to ensure that each account is in line with its investment objectives and risk tolerance. Scott Nasca is the President and lead portfolio strategist. He is primarily responsible for trading the accounts.



Non-periodic reviews of client accounts may be triggered by material market, economic, or political events, or by changes in a client's financial situation (such as retirement, termination of employment, physical move, or inheritance).

Clients receive a quarterly statement from the custodian as well as a quarterly report from Generation Capital Management, LLC. Typically, the report from Generation Capital Management, LLC includes a portfolio appraisal and transaction summary. In addition to the quarterly reporting, some clients receive this information on a monthly basis or as requested. Clients are advised to compare the account statements they receive from the qualified custodian with those received from GCM.

Item 14 – Client Referrals and Other Compensation

GCM currently does not compensate third parties for client referrals from individuals or companies.

Item 15 – Custody

Under government regulations, we are deemed to have custody of your assets if, for example, you authorize us to instruct your bank or broker dealer (collectively called “custodian”) to deduct our advisory fees directly from your account. Your custodian, however, maintains actual custody of your assets. You will receive account statements directly from your custodian at least quarterly. They will be sent to the address of record or the email address you provided the custodian. You should carefully review these statements promptly when you receive them. GCM urges you to carefully review such statements and compare such official custodial records to the account statements you receive from us. Our statements may vary from custodial statements based on accounting procedures, recording dates, or valuation methodologies of securities.

Item 16 – Investment Discretion

GCM manages money on a discretionary and a non-discretionary basis. Clients opening discretionary accounts are required to execute an Investment Advisory Agreement and limited power of attorney that, among other things, grants us the authority to manage their assets on a discretionary basis, meaning we have the authority to select the identity and amount of securities to be bought or sold in the client's account. In all cases, however, such discretion is to be exercised in a manner consistent with the statement investment objective for the particular client account and in line with any client-imposed restrictions on the account. Investment guidelines and restrictions must be provided to GCM in writing.

When selecting securities and determining amounts, GCM observes the investment policies, limitations, and restrictions of the clients for which it advises, if any. For registered investment companies, GCM's authority to trade securities may also be limited by certain federal securities and tax laws.

Item 17 – Voting Client Securities

Proxy voting is an important right of shareholders and reasonable care and diligence must be undertaken to ensure that such rights are properly and timely exercised. Generation Capital Management, LLC as a matter of policy and as a fiduciary to our clients, has responsibility for voting proxies for portfolio securities consistent with the best economic interests of the clients. Our firm maintains written policies and procedures as to the handling, research, voting and reporting of proxy



voting and makes appropriate disclosures about our firm's proxy policies and practices. Our policy and practice includes the responsibility to monitor corporate actions, receive and vote client proxies and disclose any potential conflicts of interest. Clients may obtain a copy of GCM's complete proxy voting policies and procedures upon request by contacting Mary Anne DeJohn at (585) 232-8560 or mdejohn@gencapmgmt.com. Clients may also obtain information from GCM about how GCM voted any proxies on behalf of their account(s).

Voting Guidelines

- In the absence of specific voting guidelines from the client, Generation Capital Management, LLC will vote proxies in the best interests of each particular client. Generation Capital Management, LLC's policy is to vote all proxies from a specific issuer the same way for each client absent qualifying restrictions from a client. Clients are permitted to place reasonable restrictions on Generation Capital Management, LLC's voting authority in the same manner that they may place such restrictions on the actual selection of account securities.
- Generation Capital Management, LLC will generally vote in favor of routine corporate housekeeping proposals such as the election of directors and selection of auditors absent conflicts of interest raised by auditor's non-audit services.
- Generation Capital Management, LLC will generally vote against proposals that cause board members to become entrenched or cause unequal voting rights.
- In reviewing proposals, Generation Capital Management, LLC will further consider the opinion of management and the effect on management, and the effect on shareholder value and the issuer's business practices.

Conflicts of Interest

- Generation Capital Management, LLC will identify any conflicts that exist between the interests of the adviser and the client by reviewing the relationship of Generation Capital Management, LLC with the issuer of each security to determine if Generation Capital Management, LLC or any of its employees has any financial, business or personal relationship with the issuer.
- If a material conflict of interest exists, GCM will determine whether it is appropriate to disclose the conflict to the affected clients, to give the clients an opportunity to vote the proxies themselves, or to address the voting issue through other objective means such as voting in a manner consistent with a predetermined voting policy or receiving an independent third party voting recommendation.
- GCM will maintain a record of the voting resolution of any conflict of interest.

Item 18 – Financial Information

Registered investment advisors are required in this Item to provide you with certain financial information or disclosures about GCM's financial condition.

Our firm historically has had a negative balance sheet. This is due to the firm using short-term financing for short-term cash flow and accepting short-term loans. Some of these loans were made by current clients of the firm. This creates a conflict of interest and may impair our ability to meet contractual commitments to our clients such as not being able to refund any prepaid, unearned fees to clients that terminate their contract during a billing period.



Due to the current economic uncertainty caused by the COVID-19 global pandemic, we received an SBA Paycheck Protection Program (“PPP”) loan. The firm determined, at the time of its application for the loan, that the results of COVID-19, including the many “shelter in place” orders, and the severe volatility in the marketplace, created economic uncertainty. Although we believe that our current business continuity plan allows the Firm to continue to provide services to our clients without interruption, the PPP Loan has provided addition capital resources that will assist the firm during this uncertain economic period.