

Addison Capital, Inc.

Form ADV, Part 2A

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This brochure ("Brochure") provides information about the qualifications and business practices of Addison Capital, Inc. ("Addison Capital" or "Adviser"). If you have any questions about the contents of this brochure, please contact our Chief Compliance Officer (the "CCO"), Sandra Laster, at 215-563-6919.

The information in this brochure has not been approved or verified by the United States Securities and Exchange Commission (the "SEC") or by any state securities authority.

The Adviser is an investment adviser registered with the SEC. Registration with the SEC does not imply a certain level of skill or training.

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

ITEM 2: MATERIAL CHANGES

Addison Capital filed an updated amendment to Form ADV on April 27, 2021. The purpose of the amendment was to include two new financial industry affiliations: Numismatic, LLC and Numismatic GP, LLC.

Addison Capital has expanded our security offerings to include hedge funds. Section 8 of this brochure has been updated to include the risk of loss associated with these types of investments.

Effective February 1, 2022, Steven Benjamin joined the firm as a Senior Portfolio Manager.

There have been no other material changes to Addison Capital's advisory business.

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ITEM 4: ADVISORY BUSINESS

Advisory Business

Addison Capital provides investment supervisory services and furnishes investment advice to its clients (“Clients”) through consultations. The company was founded in 2009 by Michael A. Church, who is the principal owner and Chief Executive Officer (“CEO”).

Investment supervisory services include developing strategies and investment portfolios based upon the individual Client needs. Addison Capital also provides advice and portfolio information concerning portfolio management recommendations on both equity and fixed income markets, including specific companies and securities.

Addison Capital tailors advisory services to the individual needs of Clients. This activity includes the provision of regular advice concerning investments consistent with the circumstances, preferences, and objectives of each Client as established during the initial and ongoing consultations. This includes asset allocation of stocks, bonds, and liquidity. The investment management process includes an assessment of each Client’s objectives, needs, restrictions and portfolio holdings. Asset allocation may then change over time, based on Client needs. Clients may impose reasonable restrictions on investing in certain securities or types of securities by requesting such restrictions.

Addison Capital may, from time to time, manage accounts on a fully discretionary basis without detailed knowledge of the circumstances, preferences, and objectives of the specific Client. In these instances, Addison Capital formulates and implements an investment program that is considered prudent, appropriate, and suitable to the nature of the account and Addison Capital’s understanding of the Client’s general characteristics.

Addison Capital does not offer wrap fee programs. Addison Capital manages Client assets on both a discretionary and non-discretionary basis. As of December 31, 2021, Addison Capital managed \$424,069,302 in discretionary assets and \$391,175,873 in non-discretionary.

ITEM 5: FEES AND COMPENSATION

Addison Capital is compensated for advisory management services by a percentage of assets under management, and fixed fees for consultations. Fees are negotiable and may vary based on total Client relationships and marketing considerations.

Discussion of fees and other compensation provided below is general in nature. Fees and other compensation that a Client pays are set forth in the Client’s relevant advisory agreement

Management Fees

Fees are negotiable and may vary based on total Client relationships and marketing considerations. The management fee schedule never exceeds 1.25%.

Consultation Fees

Addison Capital charges a fixed fee for consultations with financial institutions. These fixed consultation fees are negotiated at time of contract signing.

Timing and Deduction of Fees

The Adviser bills all Clients on a calendar quarterly basis in advance; and when billing on assets under management, the market value at the close of the previous business day is utilized. Generally, fees are deducted directly from the account. Upon special request and consideration, invoices may be sent directly to the Client. When a new account is opened, or when there are substantial deposits or withdraws in the account (greater than \$100,000), a pro-rated invoice (or credit) is generated based on the number of days left in the calendar quarter. When an advisory agreement is terminated, the Client receives a refund based on the number of days left in the quarter. If fees were deducted from the account, the pro-rated refund is credited back to the same account. If the fees were paid directly by the Client, a refund check is issued.

Transaction-Based Compensation and Brokerage Fees and Expenses

The Adviser does not receive any transaction-based compensation.

The Adviser utilizes the services of broker-dealers to effect portfolio transactions and each Client will incur brokerage and other transaction costs. Clients do not pay these brokerage and transaction costs to the Adviser. For additional information, see the section on "Brokerage Practices", under Item 12 below.

Other Fees and Expenses

Clients are hereby informed that when assets are invested in mutual funds and a management fee is assessed as an expense, Clients will, in effect, pay two advisory fees: a direct fee to Addison Capital and an indirect fee to the mutual fund advisory. Clients may also incur fees and costs if they make transactions in ETFs, mutual funds, or other investments in order to fund their account. Neither Addison Capital, nor any of its supervised persons, accepts compensation for the sale of securities or other investment product.

Valuation

Management fees, performance-based fees (if any) and other fees may be based on the market value of account assets or other investments.

ITEM 6: PERFORMANCE-BASED FEES AND SIDE-BY-SIDE MANAGEMENT

Clients may enter into performance-based fee arrangements with Addison Capital. Performance based fees are only available to Clients that meet the regulatory definition of "qualified client" under Rule 205-3 under the Advisers Act. A qualified client is a client that meets certain financial thresholds based on either Addison Capital's assets under management for the client, or the client's overall net worth.

Addison Capital's performance based fees are generally a percentage of the annual total return on a client's investments at the firm. Total return is defined as net realized and unrealized capital gains/losses; plus interest, dividends and distributions. The performance fee schedule never exceeds 20% of total return increases.

Managing accounts under different fee arrangements may create a conflict of interest for portfolio managers in that they may create incentives to allocate investment opportunities that they believe might be the most profitable to performance-based fee accounts or by devoting more resources toward the management of performance-based fee accounts. Addison Capital seeks to mitigate the potential conflicts of interest which may arise by monitoring and diligently enforcing its policies and procedures, including those related to average pricing and investment allocation. Please see *"Item 12: Brokerage Practices"* below for more information.

ITEM 7: TYPES OF CLIENTS

Addison Capital offers investment advisory services to individuals, banks and thrift institutions, pension and profit sharing plans, trusts, estates, charitable organizations, corporations, and third party asset management platforms ("TAMPs"). Addison Capital typically requires accounts to be at least \$500,000 or greater in size; however, exceptions can be made in certain circumstances at the Adviser's discretion. Each Client's account is managed in accordance with the terms of the advisory contract with such Client and the Client's investment objectives, strategies and guidelines.

ITEM 8: METHODS OF ANALYSIS, INVESTMENT STRATEGIES AND RISK OF LOSS

Methods of Analysis and Investment Strategies

The Adviser employs a variety of methods of analysis to current and potential investments. Addison Capital uses a combination of technical, fundamental and cyclical methods to assess risks and opportunities in the capital markets. Fundamental data helps identify companies, industries, and sectors with compelling financial characteristics. Technical data help identify securities with attractive supply-demand characteristics. Cyclical data uses macroeconomic analysis to help identify market trends. Investing in securities involves risk of loss that all Clients should be prepared to bear.

The main sources of information Addison Capital uses include financial newspapers and magazines, inspections of corporate activities, research materials prepared by others, corporate rating services, annual reports, prospectuses, filings with the SEC and company press releases. Addison Capital seeks to invest in securities with an 8 to 18-month time horizon, both to realize preferable tax rates on long-term capital gains and to manage trading expenses. We may sell securities that meet our appreciation objectives or experience unfavorable fundamental or technical developments in shorter time spans. Our principal focus is to invest our Clients' funds to achieve long-term capital appreciation. From time to time, and where suitable to Client circumstances and preferences, we may use short sales, margin transactions, covered option writing, or option purchases.

Addison Capital offers advice on the following types of investments: Equity securities (including exchange-listed, over-the-counter, and foreign issuers), warrants, corporate debt securities, commercial paper, certificates of deposit, municipal securities, mutual fund shares, government securities, hedge funds and option contracts on securities.

Material Risks

Every investment involves some degree of risk of loss. Below is a summary of certain risks associated with an investment under the Program. These risk factors include certain risks the Adviser believes to be material, significant or unusual and relate to particularly significant strategies or methods of analysis employed by the Adviser. There is no certainty of return with respect to any such investment. There is no guarantee that a Client or investor will achieve its goals, objectives or targeted returns (as applicable).

- *General Economic and Market Conditions.* Challenging economic and financial market conditions may result in an increase in the number of investments that result in losses, which could adversely affect their results of operations.
- *Asset Allocation Risk.* Asset allocation strategies may result in investments that are concentrated in certain asset classes, industries, or geographic areas. Asset allocation strategies may also be diversified among different asset classes. Market conditions may, at different times, be more favorable toward a concentrated or diversified asset allocation strategy. There is a risk that Clients will not be in a favorable asset allocation strategy at any given time. Asset allocation strategies may change over time.
- *Credit Risk.* Fixed income securities involve the risks that an issuer could default on its obligation to make interest payments or repay the principal value of the security. An issuer may be unable to make such payments in the case of bankruptcy, which could lengthen the time until payment.
- *Cyber Security Risk.* As the use of technologies, such as the internet, has become more common in conducting business, the Adviser, underlying ETFs and their service providers may be more susceptible to operational, information security, and related risks in connection with breaches in cyber security. Generally, a cyber security failure may result from either intentional attacks or unintentional events and include, but are not limited to, gaining unauthorized access to digital systems, misappropriating assets or sensitive information, causing a Client to lose proprietary information, corrupting data, or causing operational disruption, including denial-of-service attacks on websites. A cyber security failure could cause the Adviser, or ETFs, closed-end funds and/or their service providers to become subject to regulatory penalties, reputational damage, additional compliance costs associated with corrective measures, and/or financial losses. The Adviser has established policies and procedures reasonably designed to reduce the risks associated with cyber security failures, however, there can be no assurance that these policies and procedures will prevent or mitigate the impact of cyber security failures.
- *Derivatives Risk.* Investments in derivatives, or similar instruments, including but not limited to options, futures, options on futures, forwards, or swaps, involve specific risks related to liquidity, leverage, and credit that can reduce returns and/or increase volatility. Losses in a portfolio from investments in derivative instruments may be greater than portfolios that are not so invested. In addition, governments are continuing to review practices and regulations regarding derivatives, and such reviews may make such instruments more costly, less available, or impact the value or performance of such instrument.
- *Equity Securities Risk.* Equity securities involve a higher risk of loss, and higher potential for gain, than investments in fixed income securities. The value of equity securities may vary significantly over time.
- *Fixed Income Securities Risk.* The value of fixed income securities will fluctuate with changes in interest rates. If rates increase, the value of fixed income securities usually falls. If rates decrease, the value of a fixed income investment usually rises. Fixed income securities with longer maturities may be more volatile in the case of changing interest rates compared to fixed income securities with shorter maturities. Fixed income securities are also exposed to credit risk.

- *Government Securities.* U.S. government securities issued by the U.S. Treasury and by U.S. government agencies and instrumentalities are exposed to interest rate risk and credit risk.
- *Hedge Funds.* Hedge Funds, including funds of funds (collectively, “Hedge Funds”), are unregistered private investment partnerships, funds or pools that may invest and trade in many different market strategies, and instruments (including securities, non-securities and derivatives) and that employ different investment, hedging, leverage and arbitrage methodologies. Hedge Funds are not subject to the same regulatory requirements as mutual funds, including mutual fund requirements to provide certain periodic and standardized pricing and valuation information to investors. There are substantial risks in investing in Hedge Funds. Persons interested in investing in Hedge Funds should carefully note the following:
 - Hedge Funds represent speculative investments and involve a high degree of risk. An investor could lose all or a substantial portion of his/her investment. Investors must have the financial ability, sophistication/experience and willingness to bear the risks of an investment in a Hedge Fund.
 - A Hedge Fund may employ a distinctive strategy which may not have a readily ascertainable comparative benchmark or index.
 - Hedge Fund documents are not reviewed or approved by federal or state regulators.
 - An investment in a Hedge Fund should be discretionary capital set aside strictly for speculative purposes.
 - An investment in a Hedge Fund is not suitable or desirable for all investors. Only clients meeting certain qualification standards may invest in Hedge Funds. Moreover, each Hedge Fund has specific requirements for an investor to be eligible to invest in that Hedge Fund which are contained in the Hedge Fund’s offering documents.
 - Hedge Funds may be leveraged (including highly leveraged) and a Hedge Fund performance may be volatile.
 - Hedge Funds may use benchmarks or targets for measurement purposes. There is no guarantee that a Hedge Funds’ goals, objectives, benchmarks or targeted returns will be achieved or reached.
 - Hedge Funds may have little or no operating history or performance and may use hypothetical or pro forma performance which may not reflect actual trading done by the manager or advisor and such history or performance should be reviewed carefully. Investors should not place undue reliance on pro forma or hypothetical performance.
 - A Hedge Fund and its managers/advisors may be subject to various conflicts of interest.
 - A Hedge Fund and its managers/advisors may rely on the trading expertise and experience of third-party managers or advisors; the identity of which may not be disclosed to investors.
 - A Hedge Fund is not required to provide periodic pricing or valuation information to investors and it may be the Hedge Fund’s practice to not provide such information.
 - Strategies intended to hedge risk may be partly or wholly unsuccessful.
 - Some Hedge Funds may use a single advisor or employ a single strategy, which could mean a lack of diversification and higher risk.
 - Some Hedge Funds execute a portion, and in some cases a substantial portion, of trades on foreign exchanges or over the counter markets. Such trades could involve a higher degree of risk.
 - An investment in a Hedge Fund may be illiquid and there may be significant restrictions on transferring interests in a Hedge Fund. There is no secondary market for an investor’s investment in a Hedge Fund and none is expected to develop.

- A Hedge Fund's fees and expenses, which may be substantial regardless of any positive return, will offset the Fund's trading profits.
- A Hedge Fund may involve a complex tax structure (which should be reviewed carefully) and delays in distribution important tax information.
- A Hedge Fund may not provide any transparency regarding its underlying investments (including sub-funds in a Fund of Funds structure) to investors. In such a case, there will be no way for an investor to discover or monitor the specific investments made by the Hedge Fund or, in a Fund of Funds structure, to know whether the sub-fund investments are consistent with the Hedge Fund's Investment strategy or risk parameters.

The above general summary is not a complete list of the risks and other important disclosures involved in investing in Hedge Funds and, with respect to any particular Hedge Fund, is subject to the more complete and specific disclosures contained in such Hedge Fund's offering documents. Before making any investment, an investor should thoroughly review a Hedge Fund's offering documents with the investor's financial, legal and tax advisor to determine whether an investment in the Hedge Fund is suitable for the investor in light of the investor's investment objectives, financial circumstances and tax situation.

- *Interest Rate Risk.* The financial performance of investment will be influenced by changes in interest rates, in particular as such changes may impact the values of bonds, funds, and cash allocations in Client accounts. Interest rates are highly sensitive to many factors, including government monetary and tax policy, economic and political conditions, and other factors.
- *International Investments.* Clients may be exposed to assets located in countries around the world. Risks associated with investments in non-U.S. securities include exposure to currency fluctuations, reduced liquidity, different political, regulatory, and legal systems, and increased volatility.
- *Liquidity Risk.* Liquidity risk is the risk that a security will be difficult or impossible to buy or sell quickly without impacting its market value. An ETF or closed-end fund in a Client's account may be difficult to buy or sell due to a lack of market liquidity in the shares of the fund or due to a lack of liquidity in the market for the fund's underlying securities. Purchase and sell orders may be delayed temporarily or permanently, resulting in liquidity risk for Clients.
- *Manager Risk.* Clients are subject to the risk that the Adviser's advice and/or management of investments on behalf of Clients may not produce the desired results and may have an adverse impact on Clients.
- *Operational Risks.* Many investments are subject to operational risks – risks that the internal processes and systems designed to operate a business, property or other entity safely and efficiently are in some fashion inadequate or that the individuals tasked with managing such processes and systems fail to properly carry out their functions
- *Pandemic Risk.* Disease outbreaks that affect local economies or the global economy may materially and adversely impact Client portfolios and/or our business. For example, uncertainties regarding the novel coronavirus (COVID-19) outbreak have resulted in serious economic disruptions throughout the world. These types of outbreaks can be expected to cause severe decreases in core business activities such as manufacturing, purchasing, tourism, business conferences and workplace participation, among others. These disruptions lead to instability in the marketplace, including stock market losses and overall volatility, as has occurred in connection with COVID-19. In the face of such instability, governments may take extreme and unpredictable measures to combat the spread of disease and mitigate the resulting market disruptions and losses. The Adviser has in place business continuity plans reasonably designed to ensure that we maintain normal business operations, and that our investment funds, portfolios and client assets are protected, and we periodically test those plans. However, in the event of a pandemic or an outbreak, there can be no assurance that we or our investment funds' and

portfolios' service providers will be able to maintain normal business operations for an extended period of time or will not lose the services of key personnel on a temporary or long-term basis due to illness or other reasons. The full impacts of a pandemic or disease outbreaks are unknown, resulting in a high degree of uncertainty for potentially extended periods of time.

- *Municipal Securities Risk.* Municipal securities can be affected by political or economic changes, as well as changes in taxation, interest rates, lack of information about certain issuers of municipal securities, legislative changes or the rights of municipal security holders. Municipal securities backed by current or anticipated revenue from a specific municipal project or expected municipal income can be negatively affected by the inability to collect revenues for the project or from the assets.
- *Risks Related to Warrants and Rights.* Warrants are securities that give the holder the right to purchase a given number of shares of common stock at a specified price and time. Investments in warrants and rights involve certain risks, including the possible lack of a liquid market, price volatility, and risks related to the common stock of the issuer. Warrants are also exposed to the risk that if the warrant is not exercised within the specified time period or consistent with the terms of the issuer, it may become valueless.

ITEM 9: DISCIPLINARY INFORMATION

Addison Capital failed to register one employee as an investment advisor representative in the Commonwealth of Pennsylvania and proactively self-reported the deficiency to the governing body. In February 2016, Addison Capital entered into a Consent Order and Agreement with the Commonwealth of Pennsylvania Department of Banking and Securities.

ITEM 10: OTHER FINANCIAL INDUSTRY ACTIVITIES AND AFFILIATIONS

An affiliate of the Adviser, Nest Investments LLC ("Nest Investments"), provides investment advisory and related services under separate registration with the SEC and is not covered by this Brochure. The Adviser and Nest Investments may (but do not necessarily) have common policies and procedures and/or share certain advisory personnel, but are treated as separate and distinct companies and SEC registrants. Nest Investments offers investment advice to Clients online and at computer kiosks that are connected to the internet and located in third-party financial institutions, including regional and community banks. Further information on Nest Investments can be found in the public disclosures on Form ADV for that firm.

An affiliate of the Adviser, Nest Investments BD LLC, provides services to legacy bank depositor clients. Nest Investments BD is a FINRA registered broker/dealer and is not covered by this brochure.

An affiliate of the Adviser, Numismatic, LLC, provides investment advice to a pooled investment vehicle that invests in digital assets, and a separate affiliate of the Adviser, Numismatic GP, LLC, serves as the general partner of that pooled investment vehicle. Numismatic, LLC and Numismatic GP, LLC are independent firms and are not covered by this brochure.

The Adviser is solely engaged in the business of giving investment advice. The Adviser or its principal executive officers or related persons, have no other financial industry activities or affiliations other than the ones disclosed herein. The Adviser does not recommend or select other investment advisers.

ITEM 11: CODE OF ETHICS, PARTICIPATION OR INTEREST IN CLIENT TRANSACTIONS AND PERSONAL TRADING

Code of Ethics

The Adviser serves as a fiduciary for its Clients and, as such, has the responsibility to render professional, continuous and unbiased investment advice. As fiduciaries, all of the Adviser's employees owe Clients a duty of honesty, good faith and fair dealings. At all times, the Adviser acts in the best interest of its Clients and avoids or discloses all conflicts of interest. All employees must uphold the applicable laws governing the capital markets and must comply with all federal and state securities regulations. Any breaches of the principles in the Code of Ethics may result in disciplinary action up to and including termination. A complete copy of the Adviser's Code of Ethics is available to any Client or prospective Client upon written request.

The Adviser may recommend investments in the private fund managed by its affiliate, Numismatic, LLC, and may also determine sponsor its own private funds in the future. Addison Capital has a financial incentive to recommend an investment in private funds managed by itself or an affiliate. The Adviser manages this conflict by considering the suitability of the investment in light of each Client's objectives and restrictions and by providing any Client considering such an investment with a private placement memorandum for each private fund which outlines, among other things, the risks, fees and conflicts of interest related to the private fund. Ultimately, Clients retain final discretion with respect to making an investment into a private fund whether sponsored by the Adviser, an affiliate of the Adviser or a third party.

Personal Trading

From time to time, Addison Capital's officers and employees invest alongside the firms' clients, both to align the interests of firm personnel and firm clients, and as an expression of confidence in our portfolio management efforts. In an effort to minimize any conflicts that may arise when placing trades for personal accounts, all employee trades will be blocked with customer trades to the extent possible and will be average-priced with customer trades accordingly. No security may be purchased/sold in an employee account the day before the same security is purchased/sold for a client without prior approval, unless the client receives better pricing. The only accounts exempt from this requirement are transactions effected pursuant to an automatic investment plan.

Addison Capital does not buy or sell for client accounts any securities in which AC or a related person has a material financial interest.

Proprietary Transactions; Participation or Interest in Client Transactions

From time to time, the Adviser's officers and employees invest alongside Clients in securities selected by the Adviser or its affiliate, Nest Investments, both to align the interests of firm personnel and firm Clients, and as an expression of confidence in its portfolio management efforts. In an effort to minimize any conflicts that may arise when placing trades for personal accounts, all employee trades will be blocked with customer trades to the extent possible and will be average-priced with customer trades accordingly. No security may be purchased/sold in an employee account the day before the same security is purchased/sold for a Client without prior approval, unless the Client receives better pricing. The only accounts exempt from this requirement are transactions effected pursuant to an automatic investment plan.

Gifts and Entertainment

The Adviser has policies in place governing the types and value of gifts and forms of entertainment that its employees may accept from broker-dealers, vendors, current or prospective Clients.

ITEM 12: BROKERAGE PRACTICES

Transaction Execution and Broker-Dealer Selection

Client Directed Brokerage

Addison Capital does not require, request or recommend that Clients direct trade executions through a specified broker-dealer, or hold assets with a specific custodian. A Client may, however, direct Addison Capital in writing to custody Client assets, and/or execute trades for the Client's account, through a specified broker-dealer. These trades are executed at the commission rates established by the selected broker-dealer and are not negotiated by Addison Capital. Clients may pay higher transaction costs, or receive less favorable prices, and Addison Capital may not be able to obtain volume discounts, aggregate orders, or obtain best price and execution by, for example, executing over-the-counter transactions with market makers. Clients that direct brokerage may have trades placed by the broker-dealers at the end of batched trading activity for a particular security and that may result in less favorable price obtained for the batched order. The majority of Clients have directed Addison Capital to custody and trade with Charles Schwab & Co. and T.D. Ameritrade. Because the majority of Clients use these broker-dealers / custodians, Addison Capital maintains an institutional relationship with these firms. Addison Capital does not receive Client referrals from any broker-dealer with which it currently does business.

Broker-dealers may charge Clients brokerage commissions on trades executed for their account. These fees may be referred to as a spread. Broker-dealers may also charge non-brokerage fees and/or receive indirect benefits from the services each provides to Client accounts. Clients are expected to pay non-brokerage fees for custody and other services provided by broker-dealers. Clients should contact their custodian and/or broker-dealer for additional information on brokerage fees and transaction costs.

Selection of Brokers

Where a Client authorizes Addison Capital to select the brokers and/or dealers through which transactions for the Client's account are executed, the Adviser will seek to obtain best execution for transactions. Typically, this requires the Adviser to execute transactions for Clients in such a manner that the Clients' total costs or proceeds in each transaction are the most favorable under the circumstances. The Adviser evaluates broker-dealer services based on its fiduciary obligation to seek best execution, however the Adviser cannot guarantee that a Client will receive best execution because the Adviser does not control the broker-dealer's brokerage practices.

The Adviser evaluates best execution based on the following factors:

- Execution capability and ability to work orders.
- Commission rates.

- Operational capabilities, particularly the ability to average price trades and to easily allocate trades among individual Client accounts.
- Quality of services provided.
- Communication effectiveness and quick responses, especially in times of market turbulence.
- Reliability in executing trades and keeping records.
- Ability to reduce market impact, which is broadly defined as a trades' impact on the price of a stock.

Addison Capital will seek to place all purchase and sell orders with broker-dealers which, in its opinion, are able to obtain best execution of Clients' transactions at reasonably competitive rates. Addison Capital's best execution policy and procedures are designed to institutionalize a trading process that seeks to maximize the value of Clients' portfolios given each Client's stated investment objectives and constraints. The Adviser does not have any soft dollar arrangements with any broker-dealer.

Whenever possible, the Adviser aggregates purchases/sales of any security across all affected Client accounts. The actual prices applicable to the aggregated transaction will be averaged, and each Client will be deemed to have purchased/sold its share of the security at that average price. All transaction costs shall be shared on a pro rata basis among all participants, except to the extent that certain brokers/dealers may impose minimum transaction charges.

ITEM 13: REVIEW OF ACCOUNTS

Account reviews are conducted on an ongoing and periodic basis. All investment advisory Clients are advised that it remains their responsibility to advise Addison Capital of any changes in their investment objectives, tax status, and/or financial situation. All Clients (in person or via telephone) are encouraged to review financial planning issues (to the extent applicable), tax status, investment objectives and account performance on an annual basis. Security holdings are reviewed globally on an on-going basis. On a monthly basis, accounts where a fixed income security has matured are reviewed. New accounts are reviewed until fully invested.

Monthly or quarterly asset statements denoting market values, book values, transactions, as well as a complete listing of all securities held in the portfolio, are provided by the Clients' custodian. Transaction confirmations are provided by the custodian within the required time-frame. Upon request, Addison Capital will provide Clients a quarterly appraisal of their account, broken down by type of security and industry sector. Addison Capital recommends that Clients cross reference any reports received against the statement provided by custodian.

ITEM 14: CLIENT REFERRALS AND OTHER COMPENSATION

The Adviser has entered into agreements ("Solicitor Agreements") with certain third parties ("Solicitors"), whereby the Adviser compensates the third-party for referring Clients to the Adviser. A Solicitor Agreement may create an incentive for a Solicitor to refer a prospective Client to the Adviser, even if a Solicitor would not otherwise make the referral. Clients will receive a written disclosure statement regarding these arrangements in accordance with the requirements of Rule 206(4)-3 under the Advisers Act. There is no differential in the management fees charged to a Client and the Adviser will not charge Clients any additional fees or expenses as a result of Solicitor Agreements. A referral by a Solicitor should not be viewed by a Client as an endorsement of the Adviser's services.

ITEM 15: CUSTODY

Addison Capital does not require, request or recommend that Clients hold assets with a specific custodian. A Client may, however, direct Addison Capital in writing to custody Client assets with a specified custodian. Clients may pay fees to custodians for custodial services, and such fees are not negotiated by Addison Capital. The majority of Clients utilize Charles Schwab & Co. to custody Client funds and/or securities. Trade confirmations and monthly or quarterly statements are mailed to all Clients directly from the custodian. Clients are encouraged to carefully review confirmations and statements and to call with any questions/concerns.

ITEM 16: INVESTMENT DISCRETION

The Adviser manages Client accounts on both a discretionary and non-discretionary basis. Clients are required to enter into an advisory agreement and make additional authorizations and/or acknowledgements before the Adviser will manage Client assets on a discretionary basis. Clients will have an opportunity to place reasonable restrictions on the management of their account by telling the Adviser during their consultation.

ITEM 17: VOTING CLIENT SECURITIES

The Adviser may receive information regarding the voting of Client securities and proxy voting proposals with respect to Client investments. The Adviser may, from time to time, receive amendments, consents or resolutions applicable to investments (collectively, “proxies”). When the Adviser holds authority to vote such proxies on behalf of a Client, it would seek to vote each proxy in the best interest of that Client and in a manner consistent with its duties to the Client.

Due to the difficulty of predicting and identifying material conflicts, the Adviser relies on its employees to notify it of material conflicts that may impair the Adviser’s ability to vote proxies appropriately. If a material conflict exists, the Adviser, with the assistance of management, legal counsel, and certain other persons such as an outside proxy voting service or consultant, outside counsel and/or others deemed appropriate, will determine the direction in which Adviser should vote on the proposal. One Client’s best interests with respect to a proxy vote may diverge from the interests of other Clients. This may result in Adviser casting votes that differ from votes cast for other Clients or in Adviser taking other steps to mitigate any conflicts that may arise. In no event, however, will Adviser be obligated to vote, or refrain from voting its own securities, securities held by another Client or securities held by an affiliate in a manner that is inconsistent with Adviser’s view as to the best interests of such holders, simply because a Client has a differing interest.

A copy of the Adviser’s proxy voting policy and other information may be obtained by contacting our CCO, Sandra Laster, at 215-563-6919

ITEM 18: FINANCIAL INFORMATION

Registered Investment Advisers are required in this section to provide you with certain financial information or disclosures about their financial condition. Addison Capital has no financial commitment that impairs its ability to meet contractual and fiduciary commitments to clients, and has not been the subject of a bankruptcy proceeding.

Addison Capital, Inc.

Form ADV, Part 2B

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This brochure supplement ("Brochure Supplement") provides information about the following supervised persons of Addison Capital, Inc. ("Addison Capital" or "Adviser"):

Michael A. Church
Michael J. Durette
Steven Benjamin
Daniel Parker

This Brochure Supplement accompanies the Adviser's Form ADV Part 2A (the "Brochure"). If you have any questions about the contents of the Brochure or this Brochure Supplement, please contact our Chief Compliance Officer (the "CCO"), Sandra Laster at 215-563-6919.

ITEM 2: EDUCATION, BACKGROUND AND BUSINESS EXPERIENCE

Name

Michael A. Church

Year Born

1981

Education

- B.A. Rider University
- M.B.A. Rider University

Business Experience

Mr. Church is the Chief Executive Officer ("CEO") and principal owner of Addison Capital. He previously co-managed the Church Capital Value Trust at Church Capital Management ("CVLAX"). CVLAX was a 5 Star Morningstar fund.

ITEM 3: DISCIPLINARY INFORMATION:

Not applicable.

ITEM 4: OTHER BUSINESS ACTIVITIES

In addition to being CEO of Addison Capital, Mr. Church is CEO of Nest Investment LLC, an SEC registered investment adviser; CEO of Nest Investments BD LLC, a FINRA registered broker/dealer; and Managing Partner of Numismatic, LLC and Numismatic GP, LLC, the investment adviser and general partner of a private investment fund focused on digital assets. No other business activity constitutes a substantial amount of Mr. Church's time or compensation.

ITEM 5: ADDITIONAL COMPENSATION

As CEO, Mr. Church receives a salary from Nest Investments.

ITEM 6: SUPERVISION

As Addison Capital's CEO and principal owner, Mr. Church does not have a person who acts as his direct supervisor, however, Addison Capital has adopted written policies and procedures which are designed to set standards and internal controls for the firm, its employees, and its businesses and are also reasonably designed to prevent, detect, and correct any violations of regulatory requirements and the Advisor's policies and procedures. Every employee and manager is required to be responsible for and monitor those individuals they supervise to detect, prevent, and report any activities inconsistent with the firm's procedures, policies, high professional standards, or legal/regulatory requirements. Addison Capital's CCO, Sandra Laster, is primarily responsible for ensuring that Mr. Church is compliant with the firm's policies and procedures. Clients of Addison Capital who wish to discuss a matter concerning the actions of Mr. Church, may contact Ms. Laster at 215-563-6919, who will seek to resolve the matter, refer it to Mr. Church, or take other action, as appropriate.

ITEM 2: EDUCATION, BACKGROUND AND BUSINESS EXPERIENCE

Name

Michael J. Durette

Year Born

1981

Education

- B.A. University of Maryland College Park

Business Experience

Mr. Durette is currently Executive Vice President of Addison Capital. Mr. Durette previously managed portfolios for Fisher Asset Management as well as for Citigroup Smith Barney.

ITEM 3: DISCIPLINARY INFORMATION:

Not applicable.

ITEM 4: OTHER BUSINESS ACTIVITIES

In addition to his position with Addison Capital, Mr. Durette provides services for a related advisor of Addison Capital, Nest Investment LLC, an SEC registered investment adviser; and is CCO of Nest Investments BD LLC, a FINRA registered broker/dealer. No other business activity constitutes a substantial amount of Mr. Durette's time or compensation.

ITEM 5: ADDITIONAL COMPENSATION

As an advisor and CCO, Mr. Durette receives a salary from Nest Investments.

ITEM 6: SUPERVISION

Addison Capital has adopted written policies and procedures which are designed to set standards and internal controls for the firm, its employees, and its businesses and are also reasonably designed to prevent, detect, and correct any violations of regulatory requirements and the Advisor's policies and procedures. Every employee and manager is required to be responsible for and monitor those individuals they supervise to detect, prevent, and report any activities inconsistent with the firm's procedures, policies, high professional standards, or legal/regulatory requirements. Addison Capital's Chief Compliance Officer, Sandra Laster, is primarily responsible, in consultation with Mr. Church, for ensuring that Mr. Durette is compliant with the firm's policies and procedures. Ms. Laster can be reached at 215-563-6919

ITEM 2: EDUCATION, BACKGROUND AND BUSINESS EXPERIENCE

Name

Daniel Parker

Year Born

1967

Education

- B.A. University of Dayton

Business Experience

Mr. Parker is currently a Senior Portfolio Manager at Addison Capital. Mr. Parker was previously a Portfolio Manager/Investment Analyst at Morgan Stanley, as well as a Specialist Trader at Goldman Sachs.

ITEM 3: DISCIPLINARY INFORMATION:

Not applicable.

ITEM 4: OTHER BUSINESS ACTIVITIES

In addition to his position with Addison Capital, Mr. Parker provides services for a related advisor of Addison Capital, Nest Investment LLC, an SEC registered investment adviser; and Nest Investments BD LLC, a FINRA registered broker/dealer. No other business activity constitutes a substantial amount of Mr. Parker's time or compensation.

ITEM 5: ADDITIONAL COMPENSATION

As an advisor, Mr. Parker receives a salary from Nest Investments.

ITEM 6: SUPERVISION

Addison Capital has adopted written policies and procedures which are designed to set standards and internal controls for the firm, its employees, and its businesses and are also reasonably designed to prevent, detect, and correct any violations of regulatory requirements and the Advisor's policies and procedures. Every employee and manager is required to be responsible for and monitor those individuals they supervise to detect, prevent, and report any activities inconsistent with the firm's procedures, policies, high professional standards, or legal/regulatory requirements. Addison Capital's Chief Compliance Officer, Sandra Laster, is primarily responsible, in consultation with Mr. Church, for ensuring that Mr. Parker is compliant with the firm's policies and procedures. Ms. Laster can be reached at 215-563-6919

ITEM 2: EDUCATION, BACKGROUND AND BUSINESS EXPERIENCE

Name

Steven R. Benjamin

Year Born

1980

Education

- B.A. University of Delaware

Business Experience

Mr. Benjamin is currently a Senior Portfolio Manager at Addison Capital. Mr. Benjamin previously held roles in banking and trading at Rosemawr Management, REVL Capital Group, Kildare Capital and Morgan Stanley.

ITEM 3: DISCIPLINARY INFORMATION:

Not applicable.

ITEM 4: OTHER BUSINESS ACTIVITIES

In addition to his position with Addison Capital, Mr. Benjamin provides services for a related advisor of Addison Capital, Nest Investment LLC, an SEC registered investment adviser and Nest Investments BD LLC, a FINRA registered broker/dealer. No other business activity constitutes a substantial amount of Mr. Benjamin's time or compensation.

ITEM 5: ADDITIONAL COMPENSATION

Mr. Benjamin receives no additional compensation

ITEM 6: SUPERVISION

Addison Capital has adopted written policies and procedures which are designed to set standards and internal controls for the firm, its employees, and its businesses and are also reasonably designed to prevent, detect, and correct any violations of regulatory requirements and the Advisor's policies and procedures. Every employee and manager is required to be responsible for and monitor those individuals they supervise to detect, prevent, and report any activities inconsistent with the firm's procedures, policies, high professional standards, or legal/regulatory requirements. Addison Capital's Chief Compliance Officer, Sandra Laster, is primarily responsible, in consultation with Mr. Church, for ensuring that Mr. Benjamin is compliant with the firm's policies and procedures. Ms. Laster can be reached at 215-563-6919