

## **Part 2A of Form ADV: *Firm Brochure***

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**This brochure provides information about the qualifications and business practices of BCM Advisors, LLC (hereinafter “BCM” or “firm” or “we”). If you have any questions about the contents of this brochure, please contact us at (337) 233-7758 or at [info@bcm-advisors.com](mailto:info@bcm-advisors.com). The information in this brochure has not been approved or verified by the United States Securities and Exchange Commission or by any state securities authority.**

**Additional information about BCM is available on the SEC’s website at [www.adviserinfo.sec.gov](http://www.adviserinfo.sec.gov). You can search this site by a unique identifying number, known as a CRD number. The CRD number for BCM is 107946.**

**Item 2. Summary of Material Changes**

BCM Advisors, LLC made the following material changes to Form ADV, Part 2A since its Annual Updating Amendment dated February 18, 2022.

NONE

**Item 3.****Table of Contents**

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#### **Item 4. Advisory Business**

BCM is a fee-based Registered Investment Adviser with its principal place of business located in Lafayette, Louisiana. We have been in business since 1987, as a sole proprietorship until 1991 and as an incorporated entity from 1991 to March of 2017. In March of 2017, BCM changed the form of organization from a corporation to an LLC, and in June of 2020 changed its name to BCM Advisors, LLC. There has been no practical change in control or management of BCM as a result of the change in the form of the organization of BCM or the change of name.

Joseph Billeaud, through his sole ownership in JSB Investment Holdings, Inc, is the majority owner of BCM and serves as BCM's Chief Investment Officer. There are other individuals who are minority owners through their respective single member entities, and who serve in various management positions with the firm. A list of all owners and officers of the firm can be found in Schedule A of BCM's Form ADV, which can be viewed by going to [www.adviserinfo.sec.gov](http://www.adviserinfo.sec.gov).

Discretionary assets under our firm's management were \$515,245,864 as of December 31, 2022. Non-discretionary assets under our firm's management were \$0 as of December 31, 2022. Assets Under Advisement by our firm were \$5,123,961 as of December 31, 2022. The total assets under management and advisement by our firm were \$520,369,825 as of December 31, 2022.

#### **Portfolio Management Services**

BCM is in the business of managing investment portfolios for our clients.

BCM primarily offers two categories of investment portfolios, BCM All-Weather Portfolios and BCM Growth Portfolios. Within the BCM All-Weather Portfolios clients can choose from diversified portfolios that offer different levels of risk exposure as well as a variation emphasizing Social Values. The BCM Growth Portfolios are oriented toward a growth strategy with a higher exposure to stocks. In addition to these main portfolios, BCM offers portfolios designed for clients with account sizes of less than \$5,000. These portfolios are hereafter collectively referred to as "Portfolios".

Our firm provides continuous advice to a client regarding the investment of client funds. Through personal discussions, in which goals and objectives based on a client's particular circumstances are established, we determine the client's individual objectives, time horizons, risk tolerance, and liquidity needs. We also review and discuss a client's prior investment history, as well as family composition and background. Based on these discussions, we first decide whether the client's personal situation and goals are suitable for the Portfolios that BCM uses, and, if so, which of the Portfolios best fits the client's personal situation.

We manage client accounts on a discretionary basis, which means we will implement transactions without seeking prior client consent.

Account supervision is guided by the structure of the Portfolios, stated objectives of the client, as well as tax considerations. Clients may impose reasonable restrictions on investing in certain securities, types of securities, or industry sectors.

BCM provides portfolio management services to ERISA accounts, and, as such, BCM is a fiduciary under the ERISA and IRS rules and regulations. As a fiduciary, BCM is prohibited from entering into certain transactions that would be deemed to be a conflict of interest with these clients or rely on an exemption from the prohibited transaction.

In conjunction with certain ERISA accounts, BCM sometimes contracts with third-party plan administrators to provide certain services to the plan, including access to model investment portfolios and administrative and marketing support services. In accordance with the agreements between the third-party plan administrators and BCM, the third-party administrator receives a portion of the management advisory fees paid by participating 401(k) plans.

#### Financial Planning Services

BCM offers financial planning services for eligible clients. BCM takes a comprehensive approach in preparing financial plans under the supervision of a Certified Financial Planner™ and in alignment with the Certified Financial Planner Board of Standards Code of Ethics and Standards of Conduct.

Financial plans are based on goals identified by the eligible client in a Financial Planning Questionnaire. As such, a financial plan may encompass analysis of the client's cash flow, risk and insurance coverage, retirement savings and income planning, education planning, investment portfolio analysis, and estate planning. Where the Certified Financial Planner™ finds it beneficial to the client, a plan may go beyond what is generally required by the CFP Board Standards by incorporating analysis from advisors with specific knowledge and experience in areas identified in BCM's General Wealth Management Advisory Services.

Once the analysis is complete, the Certified Financial Planner™ delivers the financial plan which includes recommendations, analysis details and suggested next steps. The Certified Financial Planner™ conducts regular updates with the eligible client to monitor progress towards their financial goals.

#### General Wealth Management Advisory Services

BCM also offers general wealth management advisory services and consultation to eligible clients. These incidental services are carried out by BCM's advisors who have professional certifications, practical experience, and/or educational

backgrounds enabling them to provide a high level of competent and proficient advice in a variety of areas relative to general wealth management. These services may include advice or consultation in areas such as elder care planning, trust strategies, family education, I.T. & data protection consulting, estate transitions and management, social security optimization, charitable gifting strategies, financial statement analysis and banking support. Where an advisor has obtained a professional license or designation, the advisor complies with requirements to maintain the license or designation and performs services in accordance with applicable standards.

## **Item 5. Fees and Compensation**

### Portfolio Management Services

Our fees are paid at the beginning of each calendar quarter for services provided in the previous calendar quarter. Fees for portfolio management services are calculated and paid quarterly based on the net asset value of the managed assets in the client account(s), including cash, (the “account balance”) at the end of the calendar quarter. We do not charge fees on non-managed assets, such as REITs, that are included in the client’s account.

Fees are calculated quarterly by multiplying the account balance by one-fourth (1/4) of the applicable annual fee rate shown below:

|                             |                |
|-----------------------------|----------------|
| Up to \$2,000,000           | 1.00% per year |
| \$2,000,001 to \$5,000,000  | 0.75% per year |
| \$5,000,001 to \$10,000,000 | 0.60% per year |
| \$10,000,000 and above      | 0.50% per year |

Fees are pro-rated for additions and withdrawals made during a calendar quarter so that fees are charged only for that time that the additions and withdrawals are in the client’s account.

Portfolio management fees are deducted from a client’s account at the beginning of each calendar quarter.

A conflict of interest exists when we recommend that a client add money to his or her account. Since our fees are based on a client’s account balance, the amount of our fees increase as the client’s account balance increases. BCM has a fiduciary duty to our clients to only make that recommendation if such a recommendation is in the best interest of client, considering the client’s goals and objectives.

Another conflict of interest that arises is in those situations where BCM recommends that an ERISA plan participant rollover a distribution from a company sponsored ERISA Plan into an IRA for which BCM will provide portfolio management services. Since BCM will receive management fees it would not have otherwise received if the ERISA plan participant would have left the

distribution in the ERISA Plan, this presents a conflict of interest. Therefore, before recommending a rollover to an IRA, BCM will make a suitability determination that the rollover is in the “best interest” of the participant. Additionally, BCM will provide the client with the appropriate disclosures outlining factors to be considered by the client in making the rollover and the conflicts of interest associated with rollover.

For certain ERISA accounts for which BCM provides portfolio management services and which are billed through BAM Advisor Services (“BAM”), an unaffiliated third-party administrator, the portfolio management fees are billed by BAM in advance on the first day of each quarter and the BCM portfolio management fee is then paid by BAM

The stated minimum account size for our portfolio management services is \$250,000. In certain circumstances and at the discretion of BCM, BCM may waive the minimum account size requirement.

Mutual Fund and ETF Fees and Expenses: All fees paid to our firm for portfolio management services are separate and distinct from the fees and expenses charged by mutual funds and ETFs to their shareholders. These fees and expenses are described in each fund's prospectus. These fees will generally include a management fee and other fund expenses. A client could invest in a mutual fund or and ETF directly, without the services of our firm. In that case, the client would not receive the services provided by us which are designed, among other things, to assist the client in determining which mutual fund or funds or ETFs are most appropriate to each client's financial condition and objectives. Accordingly, the client should review both the fees charged by the funds and ETFs and the fees charged by us to fully understand the total amount of fees to be paid by the client and to thereby evaluate the management advisory services being provided.

The Mutual Fund and ETF Fees and Expenses computed on a weighted average expense basis and stated as a percentage of the asset value of a client's account for BCM's various Portfolios are as follows:

|                            |                |
|----------------------------|----------------|
| BCM All-Weather Portfolios | 0.10% to 0.28% |
| BCM Growth Portfolios      | 0.05% to 0.43% |
| BCM Under 5k Portfolios    | 0.40% to 0.59% |

The above fees are subject to change in the event there is a change in a mutual fund or ETF in a Portfolio, a change in the percentage allocation in each mutual fund or ETF in a Portfolio, or if the mutual fund or ETFs change the amount of fees associated with a mutual fund or ETF.

### Brokerage and Custodian Fees

In addition to portfolio management service fees paid to our firm, and the expenses of the mutual funds and ETFs, clients will also be responsible for all transaction, brokerage, and custodian fees incurred as part of their account management. Those fees consist of a \$20 transaction fee associated with any trade involving mutual funds from DFA and Vanguard. Please see Item 12 of this Brochure for important disclosures regarding our brokerage practices.

### Other Fees

There may also be additional services fees charged by the custodian to accommodate special needs or requests of a client, including margin accounts fees, wire transfer fees, early trade settlement fees and other similar fees. These fees are incurred at the discretion of the client.

### Summary

The combined portfolio management service fees and mutual fund and ETF fees and expenses stated as a percentage of the asset value of a client's account for BCM's various Portfolios, and assuming the highest portfolio management service fee shown above, are as follows:

|                            |                |
|----------------------------|----------------|
| BCM All-Weather Portfolios | 1.10% to 1.28% |
| BCM Growth Portfolios      | 1.05% to 1.43% |
| BCM Under 5k Portfolios    | 1.40% to 1.59% |

### Financial Planning Services

BCM offers financial planning services to clients with a minimum account size of \$500,000 in accordance with a separate written agreement that details the services to be performed in preparing the financial plan. The fees for the financial planning services are included in the fees for portfolio management services listed above. BCM does not receive any other compensation for its financial planning services, either directly or indirectly.

As part of the financial planning services, BCM may recommend that a client put more money into an account managed by BCM. A conflict of interest exists when we recommend that a client add money to his or her account. Since our fees are based on a client's account balance, the amount of our fees increase as the client's account balance increases. BCM has a fiduciary duty to our clients to only make that recommendation if such a recommendation is in the best interest of client, considering the client's goals and objectives.



## Fees in General

Fees and costs are incurred whether a client account has gains or losses. Fees and costs will reduce the amount available to invest in a client's account and will therefore reduce investment returns over time.

The stated minimum account size for portfolio management services is \$250,000. We group certain related client accounts for the purposes of determining the account size and the applicable annual fee rate. Fees for our portfolio management services and account minimums for all services are negotiable based upon certain criteria (i.e. anticipated future earning capacity, anticipated future additional assets, dollar amount of assets to be managed, related accounts, account composition, negotiations with client, etc.). As a result, in certain circumstances the fee schedule for a client will differ from the standard fee schedules shown above.

Discounts, not generally available to our clients, are offered to family members and friends.

With the exception of certain ERISA client fees billed through BAM Advisor Services that are billed in advance, we do not require or accept fees in advance of services rendered. Under no circumstances will BCM accept fees for services to be provided more than six (6) months in advance.

## Account Termination

Clients will have a period of five (5) business days from the date of signing the portfolio management services agreement to unconditionally rescind the agreement and receive a full refund of all fees. Thereafter, the client may terminate the agreement at his or her discretion. Upon termination of any account, any prepaid, unearned fees will be promptly refunded, and any earned, unpaid fees will be due and payable.

## **Item 6. Performance-Based Fees and Side-By-Side Management**

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

## **Item 7. Types of Clients**

Our firm generally provides portfolio management services to individuals, companies, pension and profit-sharing plans, trusts, estates, charitable organizations, and other business entities.

Generally, we require a minimum account size of \$250,000 of assets under management for portfolio management services, and a minimum account size of

\$500,000 of assets under management for Financial Planning and General Wealth Management Services.

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

Our firm employs the following types of analysis to formulate client recommendations, which are reflected in the structure of the Portfolios.

Portfolios: The design of BCM's All-Weather Portfolios is based on the strategy of investing in economically balanced non-correlated asset classes, such as, stock, bonds, precious metals and cash. The design of the BCM Growth Portfolios is based on a concentration in stocks and cash. Because of the asset size of the BCM Under 5k Portfolios it is not practical to achieve any level of diversification, so the design of those Portfolios is based on 95% concentration in stocks.

Asset Class Representation: BCM's approach within the Portfolios is to invest in broad-based asset classes rather than in individual securities. An asset class approach can be realized by owning indexed mutual funds or ETF's that reflect the composition and risk profile of the target asset classes of stocks, bonds and precious metals.

Mutual fund and/or ETF analysis: We look at the experience and track record of the manager of the mutual fund or ETF in an attempt to determine if that manager has demonstrated an ability to invest over a period of time and in different economic conditions. We primarily use indexed funds or ETFs within our portfolio design. We also look at the underlying assets in a mutual fund or ETF in an attempt to determine if there is significant overlap in the underlying investments held in other funds in the client's portfolio. For the Social Values Portfolios, since one or more funds are actively managed, rather than indexed, we also monitor the funds in an attempt to determine if they are continuing to follow their stated investment strategy.

A risk of mutual fund and/or ETF analysis is that, as in all securities investments, past performance does not guarantee future results. A manager who has been successful may not be able to replicate that success in the future. In addition, as we do not control the underlying investments in a fund or ETF, managers of different funds held by the client may purchase the same security, increasing the risk to the client if that security were to fall in value. There is also a risk that a manager may deviate from the stated investment mandate or strategy of the fund or ETF, which could make the fund or ETF less suitable of the client's portfolio.

Risks for all forms of analysis: Our securities analysis method relies on the assumption that the companies whose securities we purchase and sell, the rating agencies that review these securities, and other publicly available sources of information about these securities, are providing accurate and unbiased data. While we are alert to indications that data may be incorrect, there is always a risk that our analysis may be compromised by inaccurate or misleading information.

Our firm employs the following investment strategies to implement investment advice given to clients:

Long-term purchases: We purchase securities with the idea of holding them in the client's account for a year or longer. We may do this because we want exposure to a particular asset class over time, regardless of the current projection for this class.

A risk in a long-term purchase strategy is that, by holding the security for this length of time, we may not take advantages of short-term gains that could be profitable to a client. Moreover, if our predictions are incorrect, a security may decline sharply in value before we make the decision to sell.

***Clients should understand that investing in any securities, including mutual funds and ETFs, involves a risk of loss of both income and principal.***

#### **Item 9. Disciplinary Information**

Our firm has no reportable disciplinary events to disclose.

#### **Item 10. Other Financial Industry Activities and Affiliations**

Mr. Domingue, who is the Chief Compliance Officer of BCM, is the sole owner/member of Hille Investments, LLC, which is a holding company that has an ownership interest in a closely held operating company. Investment in either of these companies are not open to outside investors and clients of our firm have not been, and will not be, solicited to invest in these companies.

These non-advisory activities present a potential conflict of interest to the extent that these non-BCM activities may require a time commitment from Mr. Domingue, thus limiting the amount of time he can dedicate to his duties with BCM. Approximately 10% of Mr. Domingue's time is devoted to these activities.

Ms. McMenemon, who is an Investment Advisor Representative of BCM, is the Managing Member of Compass Capital Partners, which holds a non-working interest in an oil and gas property. This investment vehicle is not open to outside investors and clients of our firm have not been, and will not be, solicited to invest in this company or its ventures.

This non-advisory activity presents a potential conflict of interest to the extent that this non-BCM activity may require a time commitment from Ms. McMenemon, thus limiting the amount of time she can devote to her duties with BCM. Ms. McMenemon devotes less than 1% of her time to this activity.

## **Item 11. Code of Ethics, Participation in Client Transactions and Personal Trading**

### Code of Ethics Disclosure

Our firm has adopted a Code of Ethics which sets forth high ethical standards of business conduct that we require of our employees, including compliance with applicable federal securities laws. Our Code of Ethics includes policies and procedures for the review of quarterly securities transactions reports as well as initial and annual securities holdings reports that must be submitted by the firm's access persons. Among other things, our Code of Ethics also requires the prior approval of any acquisition of securities in a limited offering (e.g., private placement) or an initial public offering. Our code provides for oversight, enforcement, and recordkeeping provisions. A copy of our Code of Ethics is available to our clients and prospective clients upon request.

Our firm or individuals associated with our firm may buy or sell securities identical to those recommended to or purchased for customers for their personal accounts. In addition, any related person(s) may have an interest or position in a certain security(ies) which may also be recommended to a client. This practice results in a potential conflict of interest, as we may have an incentive to manipulate the timing of such purchases to obtain a better price or more favorable allocation in rare cases of limited availability.

To mitigate these potential conflicts of interest and ensure the fulfillment of our fiduciary responsibilities, we have established the following restrictions:

1. No principal or employee of our firm may buy or sell securities for their personal portfolio(s) where their decision is substantially derived, in whole or in part, by reason of his or her employment unless the information is also available to the investing public on reasonable inquiry. No principal or employee of our firm may prefer his or her own interest to that of the client;
2. It is the expressed policy of our firm that no person employed by us may purchase or sell any security prior to a transaction(s) being implemented for a client's account, and therefore, preventing such employees from benefiting from transactions placed on behalf of clients;
3. We maintain a list of all securities holdings for our firm, and anyone associated with this advisory practice with access to portfolio management service recommendations;
4. We emphasize the unrestricted right of the client to decline to implement any advice rendered, except in situations where our firm is granted discretionary authority;

5. All of our principals and employees must act in accordance with all applicable Federal and State regulations governing registered investment advisory practices; and
6. Any individual not in observance of the above may be subject to disciplinary action or termination.

## **Item 12. Brokerage Practices**

### Custody Of Assets

Custody of client assets is maintained by a “qualified custodian”, as discussed below. Our firm does not maintain custody of client assets in the client’s account(s). Since our firm is given authority to withdraw fees from a client account and, in certain instances, clients sign a Standing Letter of Authorization giving the authority to transfer funds to a third-party designated by the client, the assets of the client must be maintained in an account at a “qualified custodian”, generally a broker-dealer or bank. Our firm recommends that clients use Charles Schwab & Co., Inc. (Schwab) or TD Ameritrade (TD), and as a FINRA-registered broker-dealers, Schwab and TD meet the requirements as a “qualified custodian”. Neither our firm nor any individual associated with our firm, are affiliated with Schwab or TD. Schwab and TD will hold client assets in a brokerage account and buy and sell securities when we instruct them to. While our firm recommends that clients use Schwab or TD, clients do not have to do so. If a client selects Schwab or TD as the custodian, the client will open an account with Schwab or TD by entering into an account agreement directly with Schwab or TD. Our firm does not open the account for clients but will assist a client in doing so. Our firm does monitor the fees from Schwab and TD and, may, from time to time, attempt to renegotiate the fees charged to our clients.

### Recommending Brokers/Custodians

Our firm does not request or accept the discretionary authority to determine the broker dealer to be used for client accounts. This means that our firm will not survey or shop the brokerage marketplace for best execution on a transaction-by-transaction basis. Clients must direct us as to the broker dealer to be used for all client securities transactions. In directing the use of a particular broker or dealer, our firm will not have authority to negotiate commissions among various brokers, and the best transaction costs may not be achieved. *Not all advisers require their clients to direct brokerage.*

As part of the process of establishing an account to be managed by BCM, BCM recommends that a client establish the account with either Schwab or TD. The client may choose to establish the account with a broker dealer other than Schwab or TD.

We believe that both Schwab and TD will hold client assets and execute transactions on terms that are overall advantageous to the client. In doing so, a wide range of factors are considered, including, among other things: breadth of services offered, capability to execute, clear and settle trades, administrative and client support services, breadth of investment products made available, quality of service, competitiveness of the price for those services, reputation, financial strength, prior service to our other clients.

We do not have any formal or informal soft-dollar arrangements and do not receive any soft-dollar benefits. This means that we do not receive any compensation or other benefits from Schwab or TD for sending a certain level of brokerage transactions to either Schwab or TD or for using Schwab or TD as custodians and maintaining a stated minimum amount of assets under of management.

Our firm participates in the Schwab Advisor Services (formerly called Schwab Institutional) program offered to independent investment advisers by Schwab. Through Schwab Advisor Services, Schwab provides us and our clients with access to institutional brokerage services – trading, custody, reporting and related services – many of which are not typically available to Schwab retail customers. Clients in need of brokerage and custodial services may have Schwab recommended to them. As part of the Schwab Advisor Services program, our firm receives benefits that it would not receive if it did not offer investment accounts through Schwab. These benefits include: receipt of duplicate client confirmations and bundled duplicate statements; access to a trading desk serving Schwab Advisor Services participants exclusively; access to block trading which provides the ability to aggregate securities transactions and then allocate the appropriate shares to client accounts; ability to have portfolio management services fees deducted directly from client account; access to an electronic communication network for client order entry and account information; receipt of compliance publications; and access to investment products through Schwab that we may not otherwise have had access or that would require a significantly higher minimum initial investment by our clients. The services described above generally benefit you and your account. However, since we receive these services at no cost from Schwab, participation in the Schwab Advisor Services program results in a potential conflict of interest for our firm, as the receipt of the above benefits creates an incentive for us to recommend Schwab to clients.

Schwab offers other services that benefit only BCM and are intended to help us manage and further develop our business enterprise. These services include educational conferences and events, consulting on technology and business needs, consulting on legal and related compliance needs, publications and conferences on practice management and business succession and marketing consulting and support. If you did not maintain your account at Schwab, BCM would be required to pay for these services from its own resources.

The availability of these services from Schwab benefits us because we do not have to pay Schwab for these services. The fact that we receive these benefits from Schwab is an incentive for BCM to recommend the use of Schwab. This is a conflict of interest.

However, BCM believes the commendation of Schwab is in the best interest of the client. This conclusion is supported by the scope, quality, and cost of Schwab's services and not by Schwab's services that benefit only BCM.

Our firm also participates in the TD Ameritrade Institutional program. TD Ameritrade Institutional is a division of TD member FINRA/SIPC. TD is affiliated with Schwab, both of which are SEC-registered broker-dealers. TD offers to independent investment Advisors, such as our firm, services which include custody of securities, trade execution, clearance, and settlement of transactions. Our firm receives benefits from TD through its participation in the program.

Our firm participates in TD's institutional customer program and our firm may recommend TD to a client for custody and brokerage services. There is no direct link between our firm's participation in the program and the investment advice we give our clients, although our firm receives economic benefit through its participation in the program that are typically not available to TD retail investors. These benefits include the following products and services (provided with cost or at a discount): receipt of duplicate client statements and confirmations; research related products and tools; consulting services; access to a trading desk serving our Advisors; access to block trading (which provides the ability to aggregate securities transactions for execution and then allocate the appropriate shares to client accounts); the ability to have portfolio management services fees deducted directly from client accounts; access to an electronic communications network for client order entry and account information; access to mutual funds with no transaction fees and to certain institutional money managers; and compliance, marketing, research, technology and practice management products or services provided to our firm by third party vendors without cost or at a discount. Some of the products and services made available by TD through the program may benefit our firm but not benefit our client accounts. These products or services may assist our firm in managing our client accounts, including accounts not maintained at TD. Other services made available by TD are intended to help our firm manage and further develop our business. The benefits received by our firm or our personnel through participation in the program do not depend on the amount of brokerage transaction directed to TD. As part of our fiduciary duties to our clients, our firm endeavors to put the interests of our clients first. Clients should be aware, however, that the receipt of economic benefit by our firm or our personnel in and of itself creates a conflict of interest and could indirectly influence our recommendation of TD for custody and brokerage services.

*Clients are not under any obligation to effect trades through any recommended broker.* However, we reserve the right to decline acceptance of any client account

for which the client directs the use of a broker if we believe that this choice would hinder our fiduciary duty to the client and/or our ability to service the account.

### Trade Aggregation and Allocation

We may aggregate client trades when doing so is advantageous to our clients. Mostly, we will batch client transactions to receive volume discounts and to obtain better and more uniform pricing across client accounts. If we determine that aggregation of trades in a certain situation will be beneficial to our clients, transactions will be averaged as to price and will be allocated among our clients in proportion to the purchase and sale orders placed from each client account on any given day. On occasion, we aggregate employee trades with client trades.

As a matter of policy, our allocation procedures must be fair and equitable to all clients with no particular group of client(s) being favored or disfavored over any other clients. Adequate disclosures will be provided in the event of any conflicts arising in the allocation process.

### Cross Trading

As a matter of policy, we do not engage in cross trades between client accounts.

### Valuation of Securities

Certain non-managed assets, such as REITS, may be maintained in client accounts for which a fair market value is not readily available. The custodian of the client accounts provides a valuation for these non-managed assets and that valuation is included in client statements. We do not charge fees on these non-managed assets.

## **Item 13. Review of Accounts**

### Portfolio Management Services

The individuals in BCM that provide portfolio management services to our clients will monitor the client accounts daily, perform reviews of account holdings for all clients on a quarterly basis, and rebalance the Portfolios as needed. Accounts are reviewed for consistency with the client's investment strategy, asset allocation, and risk tolerance. More frequent reviews may be triggered by changes in an account holder's personal, tax or financial status. Economic and macroeconomic specific events may also trigger reviews.

## **Item 14. Client Referrals and Other Compensation**

Our firm does not receive any additional compensation from third parties for providing investment advice to its clients.



We do receive an economic benefit from Schwab and TD in the form of the support products and services those firms make available to our firm. These products and services, how they benefit our firm, and the related conflicts of interest are described above under Item 12 Brokerage Practices. The availability to BCM of these products and services are not based on BCM giving particular investment advice, such as buying particular securities for our clients.

We currently pay referral fees to certain individuals who solicit business on behalf of our firm. If a client is introduced to us by an unaffiliated solicitor, we pay that solicitor an ongoing referral fee ranging from 25% to 75% of the referred client's portfolio management services fee paid to our firm.

Payment of referral fees for prospective client referrals creates a conflict of interest to the extent that such a referral could be biased and the solicitor is, at least partially, motivated by financial gain. Therefore, such a referral may be made even if our portfolio management services are not suitable to a particular client's needs or the entering into an advisory relationship with us is not, overall, in the best interest of the client. As these situations represent a conflict of interest, we have established the following restrictions to ensure that BCM fulfills its fiduciary responsibilities:

1. All such referral fees are paid in accordance with the requirements of Rule 206(4)-3 of the Investment Advisers Act of 1940, and any corresponding state securities law requirements;
2. Any such referral fee will be paid solely from our investment management fee, and will not result in any additional charge to the client;
3. If the client is introduced to us by an unaffiliated solicitor, the solicitor, at the time of the solicitation, will disclose the nature of his/her/its solicitor relationship and provide each prospective client with a copy of our Form ADV Part 2 Brochure, together with a copy of the written disclosure statement from the solicitor to the client disclosing the terms of the solicitation arrangement between our firm and the solicitor, including the compensation to be received by the solicitor from us; and
4. All referred clients will be carefully screened to ensure that our fees, services, and investment strategies are suitable to their investment needs and objectives.

## **Item 15. Custody**

Since we directly debit client fees from their custodial accounts, our firm is deemed to have constructive custody of client funds.

Additionally, certain clients have, and may in the future, sign a Standing Letter of Authorization (SLOA) that gives us the authority to transfer funds to a third-party as directed by the client in the SLOA. This is also deemed to give us custody. Custody is defined as any legal or actual ability by our firm to access client funds or securities. Normally, we would be required to conduct a surprise

audit of the client accounts for which we are deemed to have custody. However, the rules governing the direct debit of client fees and SLOAs exempts us from the surprise audit rules if certain conditions are met. Those conditions are as follows:

1. Your assets are maintained by a qualified custodian.
2. You receive client statements directly from the custodian, and we make due inquiry to ensure that you are receiving your statements.
3. In the case of SLOAs, we make a determination that the third-party receiving the transfer is not related to BCM, confirm that the mailing address of the third-party transfer is not the same as BCM and that certain requirements are being met by the qualified custodian.

Schwab, TD or another qualified custodian that is selected by a client, maintains actual custody of client assets. Client statements will be sent directly to each client to the email or postal mailing address that is provided to Schwab, TD or another qualified custodian selected by the client. We urge clients to compare these statements to the periodic reports that are received from us. Should any discrepancies be noticed, please notify us and/or the custodian of your client account as soon as possible. We will ensure that any third-party receiving funds from a client as authorized by a SLOA is not related to our firm, and that the other requirements of the qualified custodian are also being met.

#### **Item 16. Investment Discretion**

Clients granting us discretionary authority to determine which securities and the amounts of securities that are to be bought or sold for their account(s), grant BCM such authority in writing, in the executed investment management agreement.

Should the client wish to impose reasonable limitations on this discretionary authority, such limitations shall be included in this written authority statement. Clients may change/amend these limitations as desired. Such amendments must be submitted to us by the client in writing.

#### **Item 17. Voting Client Securities**

As a matter of firm policy, our firm does not vote proxies on behalf of clients. However, for the retirement plans for which our firm is the investment advisor, ERISA laws require our firm to vote the proxies unless the right to vote the proxies has been specifically reserved by the plan sponsor.

Clients will receive their proxies and other solicitations directly from their custodian or transfer agent and, with the exception of ERISA plans noted above, retain sole responsibility for voting. However, we may provide clients with consulting assistance regarding proxy issues if they contact us with questions at our principal place of business.

We will neither advise nor act on behalf of the client in legal proceedings involving companies whose securities are held in the client's account(s), including, but not limited to, the filing of "Proofs of Claim" in class action settlements. If desired, clients may direct us to transmit copies of class action notices to the client or a third party. Upon such direction, we will make commercially reasonable efforts to forward such notices in a timely manner.

#### **Item 18. Financial Information**

We do not provide financial information to our clients since we do not:

1. Have custody of client funds or securities, or
2. Receive payment of fees in advance that are in excess of \$1,200 and are for services to be rendered over more than 6 months, or
3. Have a financial condition that is reasonably likely to impair our ability to meet our commitments to our clients.