



## **FORM ADV PART 2A**

### **Firm Brochure**

*This brochure provides information about the qualifications and business practices of AEGIS Financial that should be considered before becoming a client of AEGIS or one of its programs. If you have any questions about the contents of this brochure, please contact us at (920) 233-4650 or by email at: [info@aegis4me.com](mailto:info@aegis4me.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 or other governmental agency.*

*AEGIS Financial is a registered investment advisor. Registration as an investment adviser does not imply a certain level of skill or training. Additional information about AEGIS Financial is also available on the SEC's website at [www.adviserinfo.sec.gov](http://www.adviserinfo.sec.gov) using AEGIS Financial's CRD number 305030.*

*Advice for Life.*

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# Form ADV Part 2A – Firm Brochure

## ITEM 2: MATERIAL CHANGES

AEGIS Financial's disclosure brochure, dated 03/02/2022, was prepared according to the SEC's requirements, and replaces the previous disclosure brochure posted to the SEC's website and dated May 7th, 2021. AEGIS Financial ("AEGIS") provides a current copy of its disclosure brochure ("Brochure") to all new and prospective clients as a substitute to Part 2A of Form ADV.

This page will discuss only material changes that were made to the Brochure since the last revision providing clients with a summary of those changes. When there are material changes, AEGIS sends a copy of this updated page to all its clients either electronically or by US mail.

We will gladly provide any client with a complete Brochure at any time, without charge. A copy may be obtained by contacting AEGIS at [info@aeis4me.com](mailto:info@aeis4me.com) or (920) 233-4650. The Brochure is also available as a link on our website by clicking on "All Advisor Disclosure Documents" on the bottom of our home page at [www.aegis4me.com](http://www.aegis4me.com). Additional information about AEGIS is also available via the SEC's website at [www.adviserinfo.sec.gov](http://www.adviserinfo.sec.gov). The SEC's website also provides information about the AEGIS management team and each person registered as an investment advisor representative of AEGIS.

AEGIS Financial has the following material changes to report:

- AEGIS Financial has retired its branded ASCEND program and replaced it with its Limited Service offering. (Item 4)
- AEGIS Financial has updated its Fees and Compensation, including offering an asset-based fee for consulting services. (Item 5)
- AEGIS no longer keeps clients' usernames or password. (Item 15)

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## ITEM 4: ADVISORY BUSINESS

### DESCRIPTION OF THE ADVISORY FIRM

AEGIS Financial (hereinafter “AEGIS”) is a corporation organized in the State of Wisconsin. The firm was formed in January 1997 and the principal owner is William Lee Bowman. The firm operates under the AEGIS Financial name with the full legal name of Bowman & Company S.C.

AEGIS represents and affirmatively acknowledges that it is acting as a fiduciary within the meaning of the Investment Advisers Act of 1940, as amended. As such, AEGIS owes a fiduciary duty to each of its clients. This duty is principles-based and applies to the entire relationship between AEGIS and each client. AEGIS has developed impartial standards of conduct as formal obligations to serve only our client’s best interests, to charge reasonable fees based on the scope and complexity of the services provided, to avoid misleading statements, and to manage and disclose potential conflicts of interest.

AEGIS offers a wide range of advisory services to individual investors, high-net-worth individuals<sup>1</sup>, and charitable organizations collectively referred to as Comprehensive Wealth Management & Financial Planning services. In this regard, AEGIS should be viewed as a level-fee advisor whose bundled fees encompass a vast array of financial planning services based on individualized and ongoing comprehensive wealth management without the bias and conflicts of commission or variable compensation based upon its recommendations.

AEGIS is headquartered in Oshkosh, WI with branch offices in Appleton, WI and Milwaukee, WI. Client accounts are in the custody of independent qualified custodian, Raymond James & Associates, Inc. Member New York Stock Exchange/SIPC, in a separate account for each client registered in the client’s name.

### WRITTEN ACKNOWLEDGEMENT OF FIDUCIARY STATUS

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.

### TYPES OF ADVISORY SERVICES

AEGIS provides investment advice through individualized consultations about retirement planning, tax planning, goal-based planning, investment planning, and estate planning for a fee. As a part of its financial planning services, AEGIS offers discretionary and non-discretionary asset management services where it provides continuous, active, individualized management to each client. AEGIS also provides general consulting services about other business and tax matters to business owners and high-net-worth investors<sup>1</sup>. Collectively, these services are generally referred to as Consulting Services.

#### **Full Service: Comprehensive Wealth Management & Financial Planning**

Beyond investment management, asset selection, rebalancing, and tax-efficient placement of client investments, are the comprehensive wealth management and financial planning services offered to each AEGIS client. The bundled fee AEGIS collects for its services contemplates a broad range of wealth management services based on the standards of impartial conduct – that is, providing advice in each client’s best interests, charging reasonable fees based on the scope and complexity of services provided, and making straightforward representations to each client about its recommendations. In this regard, AEGIS should be considered a level-fee fiduciary whose bundled fees are based on individualized and

1 A “High-Net-Worth” Individual is a principal member of a client household with at least \$1,000,000 managed by AEGIS or whose net worth AEGIS reasonably believes exceeds \$2,000,000

ongoing comprehensive wealth management and financial planning services without the bias and conflicts of interest of commissions or variable compensation based upon its recommendations.

Over the course of the relationship, each client will have the opportunity to consult with AEGIS about personal financial opportunities, short-term and long-term financial goals, tolerance, and capacity for various levels of risk, annual savings objectives, asset protection, college funding, retirement planning, income and cash flow projections, tax planning, current and future spending, retirement plan distribution options, pension, Social Security and Medicare election decisions, estate planning, charitable giving, along with other financial considerations.

AEGIS offers financial planning services to its clients that usually result in clients electing to engage AEGIS for Portfolio Management Services. The bundled fee AEGIS receives for its services is almost always based on the value of each client's investment accounts. Therefore, AEGIS has an inherent conflict because its interests are served when financial planning recommendations result in retaining or increasing investment account balances. Clients should understand that planning decisions such as paying off a mortgage or gifting, among other things, would likely reduce a client's investment account balance thereby creating a natural conflict.

### **Portfolio Management Services**

AEGIS offers ongoing portfolio management services based on the individual goals, objectives, time horizon, and risk tolerance of each client. AEGIS gathers personal information from each client including age, income, tax levels, net worth, investment experience, and liquidity needs and then constructs a plan to aid in the selection of a portfolio that matches each client's specific situation. AEGIS will assist the client in opening an account or accounts at a qualified custodian, and based on the information provided by the client, manage the investments in each account on the client's behalf. AEGIS will supervise, provide ongoing active management, and direct the management of the assets in each account with respect to the purchase, sale or continued holding of securities, subject to any restrictions the client may wish to impose. AEGIS will select mutual funds, exchange-traded funds, cash and cash equivalents, and individual securities in each client's account. AEGIS believes that all assets' classes are valuable tools in implementing investment strategies, therefore, fees for services are based on the total value of each client's account, including cash balances.

Portfolio management services are provided on a discretionary or non-discretionary basis to each client. Discretion means that when AEGIS believes its appropriate, and without further consultation with the client, AEGIS may buy or sell securities in an attempt to achieve the objective expressed by the client. The discretionary nature of the relationship does not create a custody relationship between AEGIS and the client. The client is free to terminate their agreement at any time and receive a pro rata return of any unearned fees. Clients may impose reasonable restrictions on the management of the account(s). The client retains each and every ownership right to their account(s) including the right to withdraw assets from the account(s).

Accounts will be in the custody of Raymond James or a similar custodian, each a *qualified custodian*, as that term is used in the Advisers Act and Release No. 2176. Accounts will be opened with the request and signed application of the client, thereby notifying each client of their custodial relationship. Each custodian will send each client a statement, not less than quarterly, detailing the balances and activities in each account over the previous quarter, including the fees collected by AEGIS. Custodians may be registered broker/dealers and SIPC members. Clients are strongly urged to review the statements provided by the custodian for any inaccuracy and to immediately notify AEGIS and the custodian of any inaccuracies or substantive inconsistencies.

Portfolio management services include, but are not limited to, the following:

- Investment Strategy
- Personal Investment Policy
- Asset Allocation
- Asset Selection
- Risk Tolerance
- Regular Portfolio Monitoring

AEGIS evaluates the current investments of each client with respect to their risk tolerance levels and time horizon. Risk tolerance levels are documented and reviewed periodically. AEGIS will contact each client at least annually to review their account(s) and to determine whether there should be any changes to the client's suitability profile or how each account is being managed.



## Consulting Services

AEGIS provides consulting services oriented towards existing investment portfolios, employer retirement plans, insurance, annuities, and other investments on a non-discretionary basis. Consulting services will generally involve recommendations to the client based on the options available to the client following an analysis of the existing investment and a review of the client's goals, risk tolerance, time horizon and similar suitability considerations. Consulting services may also include advice regarding risk management, retirement projections, estate planning, business planning, and advanced tax planning. All of these services would collectively be considered consulting services. Consulting services through AEGIS are intentionally broad in scope and will vary in complexity while being tailored to address the material issues surrounding each client's financial goals.

Consulting services will generally result in the delivery of a written analysis for financial planning. The plan may be implemented at the discretion of the client in any manner or degree that the client chooses. The client is free to follow the plan, in whole or in part, and may do so with any investment advisor or investment company he or she chooses.

Consulting services are contracted on an hourly or flat fee basis. Flat fees for basic projects start as low as \$500 but can be significantly higher depending on the complexity and duration of the project. A written agreement on fees will be provided prior to the initiation of any services. If the fees paid for consulting services are exhausted by those services, an additional agreement and fee arrangement would be required for ongoing wealth management services. AEGIS will not collect any fee in excess of \$1200 for services to be performed six (6) months or more in the future. AEGIS may require a deposit equal to as much as 100% of the estimated fee. Should services be terminated prior to the completion of a written analysis or plan, the client will be entitled to a refund of prepaid and unearned fees.

## Limited Service

AEGIS offers Limited Service which is a consumer-friendly, technology-enabled, online experience for clients who seek individualized investment analysis, web-based account opening and account transfer capabilities, and the proactive professional asset management approach and disciplines of the AEGIS Financial Investment Committee. AEGIS helps its clients create a personal financial profile that matches them with a model investment portfolio that is cost-conscious, globally diversified, and actively managed to meet their personal risk tolerance needs. The Limited Service offering benefits from the collective experience of the AEGIS Financial Investment Committee, with the support of the insight and contributions of third-party research, allocation, and asset selection partners it chooses to engage. Together, we monitor risk parameters, rebalancing opportunities, performance comparisons to a benchmark, and dynamic investment selection as opportunities are identified. The AEGIS Limited Service platform provides investment management services through an electronic interface and leverages world-class simplified video conferencing and messaging services across most devices. It does not provide the user with the AEGIS Financial full suite of comprehensive financial planning services, advanced tax planning strategies, and provides only limited opportunities to engage with the professional team members of the AEGIS Financial Team.

## CLIENT TAILORED SERVICES AND CLIENT IMPOSED RESTRICTIONS

AEGIS tailors its services to the individual needs of each client. Therefore, AEGIS may make trades or give advice to one client that is different from the advice or actions it takes for another client. Clients are relied upon to provide current and accurate information to AEGIS regarding their investments and financial situation. This would include the client's financial condition, investment objectives, tolerance for risk, investment time frame, need for liquidity, investment experience, and tax status. AEGIS will rely upon the information provided by the client and the client is responsible for ensuring the information provided to AEGIS is current, complete, and accurate.

Client may impose restrictions in investing in certain securities or types of securities in accordance with their values or beliefs. However, if the restrictions prevent AEGIS from properly servicing the client account, or if the restrictions would require AEGIS to deviate from its standard suite of services, AEGIS reserves the right to end the relationship.

## ASSETS UNDER MANAGEMENT

As of December 31<sup>st</sup>, 2022, AEGIS managed the following client asset:

| Discretionary Amounts | Non-discretionary Amounts | Date Calculated                  |
|-----------------------|---------------------------|----------------------------------|
| \$ 304,980,863        | \$ 1,215,075              | December 31 <sup>st</sup> , 2022 |

## ITEM 5: FEES AND COMPENSATION

### FEE SCHEDULE

| Total Assets Under Management | Annual Fees |
|-------------------------------|-------------|
| All Assets                    | Up to 1.60% |

The advisory fee applies to all the accounts receiving services during the period based on the total ending value of each account, including cash, on the last business day of the prior billing period.

Fee rates are negotiable, payable in advance, and memorialized in the client's advisory agreement. The negotiated fee will be based on multiple factors involving the scope and complexity of the services provided and the total value of the assets in the client's account(s). Any fee rate changes, higher or lower, become effective at the start of the next fee billing cycle.

Fees for the initial quarter for which services are provided are based upon the number of days remaining in the quarter. AEGIS will collect a pro rata fee on additional deposits of \$100,000 or more to any existing account during a quarter based on the number of days those services were provided. Likewise, Clients who make withdrawals of \$100,000 or more during a quarter will be entitled to receive a pro rata refund of unearned fees previously paid on the amount withdrawn.

AEGIS collects its fees on a quarterly basis *in advance*. With rare exception, fees are deducted directly from the client's investment account(s). Client has the right to designate the account from which fees are deducted. Clients authorize AEGIS to deduct fees from the designated account(s) at the beginning of each quarter and to send the fees to AEGIS. Clients will not receive advance billing invoices; however, each client will receive a quarterly statement from the qualified custodian detailing the fees deducted in the prior quarter. Clients authorize AEGIS and its custodians to sell money market shares and then securities, in that order, if sufficient cash balances are not available in the account(s) when fees are debited. The waiver of any fee for any particular client shall have no bearing whatsoever on the fees due from any other client or client account. Clients who have any questions on the calculation of their fee or who wish to dispute any fee, should immediately contact the AEGIS Chief Compliance Officer.

Clients may terminate the agreement without penalty for a full refund of AEGIS's fees within five business days of signing the Wealth Management Agreement. Thereafter, clients may terminate the Wealth Management Agreement immediately upon written notice. Terminating clients are only responsible to for the prorated fee based on the number of days services were performed in the period. In that case, a prorated reimbursement of unearned fees will be made to the client.

*Example:*

$$[\# \text{ of Days in Quarter} - \text{Days of Service}] / [\# \text{ of Days in Quarter}] \times [\text{Prepaid Fee } \$] = \text{Prorated Refund}$$

AEGIS retains the discretion and right to offset or waive its right to collect any fee due to AEGIS, in whole or in part, by virtue of its client agreements. Advisory fees for services provided by AEGIS may be more or less than those of comparable services offered elsewhere.

### CONSULTING SERVICES FEES AND FIXED FEES

The negotiated fixed rate for consulting services ranges between \$500 and \$25,000 depending on the scope and duration of the services provided. AEGIS may require an advance deposit of up to 100% of the estimated fee, however, AEGIS will not collect any fee in excess of \$1,200 for services to be performed six (6) months or more in the future. Consulting clients that are also portfolio management clients of AEGIS may be charged up to 1.60% of the total plan assets based on the standard fee schedule above rather than pay a fixed fee for consulting services.

Consulting fees are paid via check. In some cases, fees may be paid by fee deduction if agreed to by the client and the client

has a portfolio management account as well. Financial planning fees are paid in both advance and arrears depending on the specific services provided.

Clients may terminate the agreement without penalty, for full refund of AEGIS's fees, within five business days of signing the Consulting Agreement. Thereafter, clients may terminate the Consulting Agreement generally upon written notice.

## CLIENT RESPONSIBILITY FOR THIRD PARTY FEES

Clients are responsible for the payment of all third-party fees (i.e., custodian fees, brokerage fees, mutual fund fees, transaction fees, etc.). Those fees are separate and distinct from the fees and expenses charged by AEGIS. Please see Item 12 of this brochure regarding Brokerage Practices.

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

AEGIS does not accept performance-based fees or other fees based on a share of capital gains on, or capital appreciation of, the assets of a client.

## ITEM 7: TYPES OF CLIENTS

AEGIS generally provides advisory services to the following types of clients:

- Individuals, including trusts
- Charitable Organizations
- High Net Worth Individuals
- Corporations or Business Entities

There is no account minimum for any of AEGIS's services.

## ITEM 8: METHODS OF ANALYSIS, INVESTMENT STRATEGIES & RISK OF LOSS

### METHODS OF ANALYSIS

**Charting analysis** strategy involves using and comparing various charts to predict long-term and short-term performance or market trends. The risk involved in using this method is that only past performance data is considered without using other methods to crosscheck data. Using charting analysis without other methods of analysis would be making the assumption that past performance will be indicative of future performance. This may not be the case.

**Fundamental analysis** concentrates on factors that determine a company's value and expected future earnings. This strategy would normally encourage equity purchases in stocks that are undervalued or priced below their perceived value. The risk assumed is that the market will fail to reach expectations of perceived value.

**Modern portfolio theory** assumes that investors are risk averse, meaning that given two portfolios that offer the same expected return, investors will prefer the less risky one. Thus, an investor will take on increased risk only if compensated by higher expected returns. Conversely, an investor who wants higher expected returns must accept more risk. The exact trade-off will be the same for all investors, but different investors will evaluate the trade-off differently based on individual risk aversion characteristics. The implication is that a rational investor will not invest in a portfolio if a second portfolio exists with a more favorable risk-expected return profile – i.e., if for that level of risk an alternative portfolio exists which has better expected returns.

**Quantitative analysis** investment strategies using quantitative models may perform differently than expected as a result of, among other things, the factors used in the models, the weight placed on each factor, changes from the factors' historical trends, and technical issues in the construction and implementation of the models.

**Technical analysis** attempts to predict a future stock price or direction based on market trends. The assumption is that the market follows discernible patterns and if these patterns can be identified then a prediction can be made. The risk is that markets do not always follow patterns and relying solely on this method may not take into account new patterns that emerge over time.

### INVESTMENT STRATEGIES



AEGIS's use of short sales, margin transactions and options trading generally holds greater risk, and clients should be aware that there is a material risk of loss using any of those strategies.

**Long term trading** is designed to capture market rates of both return and risk. Due to its nature, the long-term investment strategy can expose clients to various types of risk that will typically surface at various intervals during the time the client owns the investments. These risks include but are not limited to inflation (purchasing power) risk, interest rate risk, economic risk, market risk, and political/regulatory risk.

**Margin transactions** use leverage that is borrowed from a brokerage firm as collateral. When losses occur, the value of the margin account may fall below the brokerage firm's threshold thereby triggering a margin call. This may force the account holder to either allocate more funds to the account or sell assets on a shorter time frame than desired.

**Options transactions** involve a contract to purchase a security at a given price, not necessarily at market value, depending on the market. This strategy includes the risk that an option may expire out of the money resulting in minimal or no value, as well as the possibility of leveraged loss of trading capital due to the leveraged nature of stock options.

**Short sales** entail the possibility of infinite loss. An increase in the applicable securities' prices will result in a loss and, over time, the market has historically trended upward.

**Short term trading** risks include liquidity, economic stability, and inflation, in addition to the long-term trading risks listed above. Frequent trading can affect investment performance, particularly through increased brokerage and other transaction costs and taxes.

*Investing in securities involves a risk of loss that you, as a client, should be prepared to bear.*

## ITEM 9: DISCIPLINARY INFORMATION

### Criminal or Civil Actions

There are no criminal or civil actions to report.

### Administrative Proceedings

There are no administrative proceedings to report.

### Self-regulatory Organization (SRO) Proceedings

There are no self-regulatory organization proceedings to report.

## ITEM 10: OTHER FINANCIAL INDUSTRY ACTIVITIES AND AFFILIATIONS

Occasionally in the course of providing comprehensive wealth management services, AEGIS identifies a need to provide asset protection advice involving insurance. In these rare cases, AEGIS will offer insurance through its affiliated corporate insurance agency. Certain supervised persons are agents of the corporate insurance agency. Clients should be aware that these services result in a commission to the agency. Clients are in no way required to utilize the services of the AEGIS corporate insurance agency. These activities represent less than 1% of the annual revenue of AEGIS Financial.

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

### CODE OF ETHICS

AEGIS has a written Code of Ethics that covers the following areas: Prohibited Purchases and Sales, Insider Trading, Personal Securities Transactions, Exempted Transactions, Prohibited Activities, Conflicts of Interest, Gifts and Entertainment, Confidentiality, Service on a Board of Directors, Compliance Procedures, Compliance with Laws and Regulations, Procedures and Reporting, Certification of Compliance, Reporting Violations, Compliance Officer Duties, Training and Education, Recordkeeping, Annual Review, and Sanctions. AEGIS's Code of Ethics is available for free upon request to any client or prospective client.

## RECOMMENDATIONS INVOLVING MATERIAL FINANCIAL INTERESTS

AEGIS does not recommend that clients buy or sell any security in which a related person to AEGIS or AEGIS has a material financial interest.

## EMPLOYEE TRADING

From time to time, employees of AEGIS may buy or sell securities for themselves that they also recommend to clients. Employee transactions are reported to the AEGIS Chief Compliance Officer (“CCO”) quarterly so AEGIS may supervise and review trading activity to determine if the employee’s trading activity disadvantaged any client. Before placing a trade in an employee account, the employee is required to determine if the security, or any of its derivatives, are on the AEGIS Restricted List. If the security is on the Restricted List, the employee is required to first obtain the permission of the CCO or enter the trade after 2:30pm CST. Employees are asked to consider if his/her trading activity will have a meaningful impact on the price or market for the security; whether they will personally benefit from purchase or sales being made in client accounts; whether any transaction is likely to harm any client; and whether the trading activity creates any appearance or suggestion of impropriety. Employee accounts include all accounts for family members living in an AEGIS employee’s household and any other accounts over which an employee has authority or direct beneficial interest.

## ITEM 12: BROKERAGE PRACTICES

### FACTORS USED TO SELECT CUSTODIANS

AEGIS recommends qualified custodians to hold client accounts in each client’s name. AEGIS recommends custodians based on the proven integrity and financial strength of the firm, best execution of orders at reasonable rates, administrative costs to AEGIS clients, and the quality of the custodian’s client services. Clients will not necessarily pay the lowest commission or commission equivalent, and AEGIS also considers the market expertise and research access provided by the custodian, including but not limited to, access to written research, oral communication with analysts, admittance to research conferences and other resources provided by the custodian that may aid in AEGIS’s research efforts. AEGIS will never charge a premium or commission on transactions, beyond the actual cost imposed by the custodian. AEGIS will require clients to use Raymond James as the clients qualified custodian (CRD# 6694).

### RESEARCH AND OTHER SOFT DOLLAR BENEFITS

While AEGIS has no formal soft dollar program in which soft dollars are used to pay for third party services, AEGIS may receive research, products, or other services from custodians in connection with client securities transactions (“soft dollar benefits”). AEGIS may enter into soft-dollar arrangements consistent with (and not outside of) the safe harbor contained in Section 28(e) of the Securities Exchange Act of 1934, as amended. There can be no assurance that any particular client will benefit from soft dollar research, whether or not the client’s transactions paid for it, and AEGIS does not seek to allocate benefits to client accounts proportionate to any soft dollar credits generated by the accounts. AEGIS benefits by not having to produce or pay for the research, products or services, and AEGIS will not have an incentive to recommend a custodian based on receiving research or services. Clients should be aware that AEGIS’s acceptance of soft dollar benefits may result in higher commissions charged to the client.

### BROKERAGE FOR CLIENT REFERRALS

AEGIS receives no referrals from a broker-dealer or third party in exchange for using that broker-dealer or third party.

### DIRECTED BROKERAGE

AEGIS will not require clients to use a specific broker-dealer to execute transactions.

## ITEM 13: REVIEW OF ACCOUNTS

### FREQUENCY AND NATURE OF PERIODIC REVIEWS AND WHO MAKES THOSE REVIEWS

All client accounts for Full and Limited Service Programs are reviewed at least annually by Kristie R. Hennes, Chief Compliance Officer/ Chief Operations Officer, with regard to clients’ respective investment policies and risk tolerance levels. All accounts at AEGIS are assigned to this reviewer.

All consulting accounts are reviewed upon financial plan creation and plan delivery. Consulting clients are provided a one-time financial plan concerning their financial situation. After the presentation of the plan, there are no further reports. Clients may request additional plans or reports for a fee.

#### **FACTORS THAT WILL TRIGGER A NON-PERIODIC REVIEW OF CLIENT ACCOUNTS**

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

With respect to consulting services, AEGIS's services will conclude upon delivery of the financial plan.

#### **CONTENT AND FREQUENCY OF REGULAR REPORTS PROVIDED TO CLIENTS**

Each client of AEGIS's Full & Limited Service will receive a quarterly statement report detailing the client's account, including assets held, asset value, and calculation of fees. This written report will come from the custodian.

Each consulting client will receive the financial plan upon completion.

### **ITEM 14: CLIENT REFERRALS AND OTHER COMPENSATION**

#### **ECONOMIC BENEFITS PROVIDED BY THIRD PARTIES FOR ADVICE RENDERED TO CLIENTS (INCLUDING SALES AWARDS OR OTHER PRIZES)**

AEGIS receives additional benefits from certain issuers of securities, mainly mutual funds, in the form of paid expenses for client appreciation events. AEGIS does not receive any sales incentive to recommend those same issuers.

#### **COMPENSATION TO NON-ADVISORY PERSONNEL FOR CLIENT REFERRALS ("SOLICITORS")**

AEGIS does not compensate non-advisory personnel (solicitors) for client referrals.

### **ITEM 15: CUSTODY**

AEGIS has determined that it is subject to Rule 206(4)-2, "Custody of Funds or Securities of Clients by Investment Advisers" of the Act, as amended. AEGIS has determined that it has custody of client funds as a general consequence of the advisor's authority to collect advisory fees directly from client accounts, the manner in which third-party checks are made payable as they pass through the AEGIS back office for deposit to the qualified custodians, and its authority to send money to third parties utilizing a standing letter of authorization ("SLOA"). AEGIS will follow the safeguards specified by the SEC rather than undergo an annual audit.

AEGIS will not accept stock certificates or similar physical securities from its clients. If AEGIS inadvertently receives physical securities from a client, AEGIS will return the securities to the sender within three business days. Clients will receive a quarterly statement from the qualified custodian that holds and maintains the client's account(s). The statement will contain a description of all the activity in each account during the preceding period, including all transactions, contributions, withdrawals, fees, and expenses charged to the account, and the value of each account at the beginning and end of the period.

### **ITEM 16: INVESTMENT DISCRETION**

AEGIS provides discretionary and non-discretionary investment advisory services to clients. The advisory contract established with each client sets forth the discretionary authority for trading. Where investment discretion has been granted, AEGIS generally manages the client's account and makes investment decisions without consultation with the client as to when the securities are to be bought or sold for the account, the total amount of the securities to be bought/sold, what securities to buy or sell, or the price per share. In some instances, AEGIS's discretionary authority in making these determinations may be limited by conditions imposed by a client.

### **ITEM 17: VOTING CLIENT SECURITIES (PROXY VOTING)**

AEGIS will not ask for, nor accept voting authority for, client securities. Clients will receive proxies directly from the issuer of the security or the custodian. Clients should direct all proxy questions to the issuer of the security.

## ITEM 18: FINANCIAL INFORMATION

### BALANCE SHEET

AEGIS neither requires nor solicits prepayment of more than \$1,200 in fees per client, six months or more in advance, and therefore is not required to include a balance sheet with this brochure.

### FINANCIAL CONDITIONS REASONABLY LIKELY TO IMPAIR ABILITY TO MEET CONTRACTUAL COMMITMENTS TO CLIENTS

Neither AEGIS nor its management has any financial condition that is likely to reasonably impair AEGIS's ability to meet contractual commitments to clients.

### BANKRUPTCY PETITIONS IN PREVIOUS TEN YEARS

AEGIS has not been the subject of a bankruptcy petition or proceeding.