



Cowan Capital LLC

281 Puffin Court

Foster City, CA 94404

(650) 242-8704

cowancapital.us

Part 2A of Form ADV: Firm Brochure

August 9, 2023

Item 1. Cover Page

This brochure provides information about the qualifications and business practices of Cowan Capital LLC. If you have any questions about the contents of this brochure, please contact us at (650) 242-8704. 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 Cowan Capital LLC is also available on the SEC's website at adviserinfo.sec.gov. The firm's CRD/IARD Number is #325865.

Cowan Capital LLC is a registered investment adviser. Registration does not imply a certain level of skill or training.

Item 2. Material Changes

Since the first published version of this document, dated March 2023, the following are material changes:

- Item 8 has been amended regarding analysis and strategies for the firm's management of client portfolios.
- Item 11 has been updated to include additional disclosures regarding material interests in client accounts.
- Item 12 and Item 14 have been updated to clarify that we do not participate in soft dollar arrangements.
- Item 15 has been updated to provide additional information regarding custody and how we safeguard client assets when we directly debit our advisory fee from client accounts.
- Item 16 includes additional information regarding our non-discretionary financial planning services.
- Item 19 includes information regarding our business continuity plan.

We have made other minor editorial changes to provide clarification, or to correct grammatical or typographical errors. We do not consider these to be material changes.

You may request a current copy of our Firm Brochure at any time without charge by contacting us as described in **Item 1. Cover Page**. You may also obtain a copy of our current Brochure at www.adviserinfo.sec.gov. You can conduct a Firm search using our CRD Number provided in **Item 1. Cover Page**.

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Item 4. Advisory Business

Cowan Capital LLC (“Cowan Capital”) is an investment advisory firm founded in 2023 and wholly owned by James L. Cowan, Managing Member and Chief Compliance Officer.

We specialize in discretionary portfolio management of client assets by building diversified portfolios that may include equities, exchange-traded funds (ETFs), fixed income, and derivatives, as appropriate based on each client’s needs and circumstances. We will also focus on assisting clients with significant stock concentration resulting from ISOs, non-qualified stock options, RSUs and PSUs.

To tailor services to individual needs of clients, each client will be subject to a rigorous review of their assets and liabilities, income and expenses, review of their current marginal and effective federal and state tax rates, and discussion of their past investment experience. Clients can request restrictions on asset classes, and specific countries, sectors, and individual securities.

Cowan Capital also offers hourly financial planning services. When an adviser provides financial planning services and receives compensation (e.g., commissions, fees) from the sale of securities, insurance, real estate or other products or services recommended in a financial plan, it creates a conflict of interest between the adviser and the client. As a matter of policy, Cowan Capital and its investment adviser representatives do not receive compensation from the sale of securities, insurance, real estate, or other products or services recommended in a financial plan. Clients are under no obligation to act upon any recommendation made in a financial plan. If clients elect to act on any recommendation in a financial plan, they are under no obligation to effect transactions through Cowan Capital.

Cowan Capital does not participate in or offer a wrap fee program.

As of June 30, 2023, Cowan Capital managed approximately \$3.9 million in assets on a discretionary basis, and no assets on a non-discretionary basis.

Item 5. Fees and Compensation

For portfolio management services, our fee is based on a percentage of assets under management, as shown in the schedule below.

Assets Under Management	Annual Fee	Monthly Fee
Up to \$5,000,000	1.125%	0.0927%
Next \$5,000,000	1.000%	0.0833%
Over \$10,000,000 million	Negotiable	Negotiable

Fees are calculated on the average daily account balance over the billing period. Fees are negotiable at the sole discretion of Cowan Capital. Factors that we consider when negotiating fees include the length of client’s relationship with us, potential for future assets under management, the complexity of advice that needs to be rendered to client, the range of services that client does or does not request, the amount of work anticipated to be involved, the types of assets placed under management and the attention otherwise needed to manage the account.

The above fee rates apply to all of a client’s assets under management with Cowan Capital, also referred to as a “straight tier” schedule (meaning the “Standard Annualized Fee” applies to all the client’s assets under management).

Cowan Capital’s portfolio management fees are paid monthly in arrears through direct deduction from client account(s) only. New clients have five days from signing the agreement to cancel without cost or

obligation. Thereafter, in the case of termination of advisory services by either Cowan Capital or the client, earned, unpaid fees will be due on a daily pro-rata basis.

Clients will incur other fees and expenses outside of Cowan Capital, including transaction fees, and other related costs and expenses that may be incurred by the client. Clients may incur certain charges imposed by custodians, brokers, and other third parties such as custodial fees, transaction commissions, odd-lot differentials, transfer taxes, wire transfer and electronic fund fees, and other fees and taxes on brokerage accounts and securities transactions. Mutual fund and exchange traded funds also charge internal management fees, which are disclosed in a fund's prospectus. Such charges, fees and commissions are exclusive of and in addition to Cowan Capital's fee, and Cowan Capital does not receive any portion of these external fees and expenses.

Financial planning services are billed at \$500 per hour, billed monthly in arrears. Because fees are paid in arrears, no refunds are given upon termination.

Neither Cowan Capital nor any associates accept compensation for the sale of securities or other investment products.

Fees for portfolio management services and financial planning services are billed separately. Cowan Capital is never compensated on the basis of capital gains or capital appreciation (performance fee). We believe that our fees are reasonable in light of the type of services provided; however, our fees may be higher or lower than fees charged by other advisers offering similar services. We encourage clients to perform due diligence to compare services and fees available.

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

Cowan Capital does not charge performance-based fees, and therefore does not engage in side-by-side management.

Item 7. Types of Clients

Cowan Capital provides its advisory services to individuals, high net-worth individuals, non-profits, and small businesses.

For portfolio management services, Cowan Capital LLC requires a minimum of \$2,000,000 of investable assets per client relationship. This minimum is negotiable at the sole discretion of Cowan Capital.

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

Analysis:

We use a combination of proprietary and third-party research for asset classes, countries, sectors, and individual securities. We intend to build portfolios using a combination of individual securities for larger accounts and equity and fixed income ETFs for smaller accounts. Limited use of derivatives (such as put options on a broadly diversified index) may be used for defensive purposes when appropriate based on a client's circumstances.

Investment Strategies:

Our primary equity strategy will be broadly diversified so the risk is market risk only. For fixed income strategy the primary risk will be interest rate risk. We will invest in both investment grade and below investment grade fixed income products.

Risks:

All investing involves risks, including loss of money invested, that you must be prepared to bear.

There can be no assurance that any investment strategy will achieve a desired outcome or prevent against loss.

General investing risks include:

- **Interest-Rate Risk:** Fluctuations in interest rates may cause investment prices to fluctuate. For example, when interest rates rise, yields on existing bonds become less attractive, causing their market values to decline.
- **Market Risk:** The price of an investment may drop in reaction to tangible and intangible events and conditions. This type of risk is caused by external factors independent of a security's specific circumstances. For example, political, economic and social conditions may trigger market events.
- **Inflation Risk:** A dollar next year will not buy as much as a dollar today, because purchasing power is eroding at the rate of inflation.
- **Currency Risk:** Overseas investments are subject to fluctuations in the value of the dollar against the currency of the investment's originating country. This is also referred to as exchange rate risk.
- **Reinvestment Risk:** This is the risk that future proceeds from investments may have to be reinvested at a potentially lower rate of return (i.e. interest rate). This primarily relates to fixed income securities.
- **Business Risk:** These risks are associated with an industry or a particular company within an industry. For example, oil-drilling companies depend on finding oil and then refining it, a lengthy process, before they can generate a profit. They carry a higher risk of profitability than an electric company, which generates its income from a steady stream of customers who buy electricity no matter what the economic environment is like.
- **Financial Risk:** Excessive borrowing to finance a business' operations increases the risk of profitability, because the company must meet the terms of its obligations in good times and bad. During periods of financial stress, the inability to meet loan obligations may result in bankruptcy and/or a declining market value.

Investment-specific risks include:

- Stocks may go up and down in price quite dramatically, and in the event of an issuer's bankruptcy or restructuring, could lose all value. A slower-growth or recessionary economic environment could have an adverse effect on the price of all stocks. Stock dividends are not guaranteed and may be reduced or suspended at any time, which may impact share prices of stocks purchased for their dividends.
- Individual bonds carry interest-rate risk (see above), default risk, and may trade above (premium) or below (discount) face value. Bonds traded prior to maturity will fluctuate in value, and a seller may not realize a premium paid for the bond or the bond may sell at a further discount than at purchase, resulting in a loss of principal. At maturity, a bond will redeem for its face value, and any premium paid to purchase the bond will be lost.
- Exchange Traded Funds prices may vary significantly from the Net Asset Value due to market conditions. Certain Exchange Traded Funds may not track underlying benchmarks as expected. ETFs are also subject to the following risks: (i) an ETF's shares may trade at a market price that is above (premium) or below (discount) their net asset value, and ETFs purchased at a premium

may not ultimately sell at a premium but at a discount or (ii) trading of an ETF's shares may be halted if the listing exchange's officials deem such action appropriate, the shares are de-listed from the exchange, or the activation of market-wide "circuit breakers" (which are tied to large decreases in stock prices) halts stock trading generally.

- **Mutual Fund Risk.** When a client invests in open end mutual funds, the client indirectly bears its proportionate share of any fees and expenses payable directly by those funds. Therefore, the client will incur higher expenses, many of which may be duplicative. In addition, the client's overall portfolio may be affected by losses of an underlying fund and the level of risk arising from the investment practices of an underlying fund (such as the use of derivatives).
- **Options (Covered Calls):** The main risk is missing out on stock appreciation, in exchange for the premium. If a stock appreciated, the writer only benefits from the stock appreciation up to the strike price, but no higher. In strong upward moves, it would have been favorable to simply hold the stock and not write the call.
- **Put Options:** A put option is a contract giving a buyer the right, but not the obligation, to sell a specified amount of a security at a predetermined price (strike price) within a specified time frame. Put options lose value as the underlying security increases in price, as volatility of the underlying security price decreases, as interest rates rise, and as the time to expiration nears. If a put option expires without being exercised, the option becomes worthless.

Item 9. Disciplinary Information

Neither Cowan Capital nor its management has been involved in any material criminal or civil action in a domestic, foreign, or military jurisdiction, an administrative enforcement action, or self-regulatory organization proceeding.

Item 10. Other Financial Industry Activities and Affiliations

As a fiduciary, we are required to disclose all material conflicts of interest that exist between our firm – including our investment adviser representatives and supervised persons – and you, as a result of other financial industry activities and affiliations. All material conflicts of interest are disclosed in this Disclosure Brochure.

Neither Cowan Capital nor any of our management personnel are registered, or have an application pending to register, as a broker-dealer or a registered representative of a broker-dealer. In addition, neither our firm nor any of our management personnel are registered, or have an application pending to register, as a futures commission merchant, commodity pool operator, a commodity trading advisor, or an associated person of the foregoing entities.

Neither Cowan Capital nor any of its management persons have an arrangement with any related persons (e.g. broker-dealer, municipal securities dealer, or government securities dealer or broker, investment company or other pooled investment vehicle including a mutual fund, closed-end investment company, unit investment trust, private investment company or "hedge fund," and offshore fund), other investment adviser or financial planner, futures commission merchant, commodity pool operator, or commodity trading advisor, banking or thrift institution, accountant or accounting firm, lawyer or law firm, insurance company or agency, pension consultant, real estate broker or dealer, and/or sponsor or syndicator of limited partnerships.

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

Cowan Capital and its associates are fiduciaries, and as such, held to the highest standard of care. Cowan Capital has adopted Code of Ethics. A copy of this Code of Ethics is available upon request.

Cowan Capital and its associates shall observe the following standards of conduct:

- We will always place the interests of clients first;
- All investment activities carried out by Cowan Capital on behalf of clients shall be in the client's interest, and suitable for each client considering the client's investment objectives, financial situation and needs;
- All personal securities transactions shall be conducted in such a manner as to avoid receiving a more favorable execution price than any client on that same day or trading to the disadvantage of a client in any way.
- Neither Cowan Capital nor any associate shall misuse material, non-public information (including further disclosure, insider trading, tipping, or other use for any personal gain);
- Cowan Capital and its associates shall hold the identities, securities holdings, and financial circumstances of clients confidential; and
- Cowan Capital and its associates shall make full, timely, and meaningful written disclosure of any conflicts of interest.

Our associates can invest in the same securities ourselves as we recommend for our clients and may do so at or about the same time as trades for clients. This represents a conflict of interest in that it creates an opportunity to obtain more advantageous trade execution than a client, or to attempt to influence the prices of securities by engaging in certain patterns of trading. We do not permit associates to engage in trading to the disadvantage of a client, such as front-running, cherry-picking, or trading opposite client positions (e.g. shorting positions that a client owns long).

Other than investing in the same securities that we may recommend to clients as discussed in the prior paragraph, we do not otherwise recommend to our clients, and we do not buy or sell in clients' accounts, any investments in which our firm or our associates have a material financial interest. We do not engage in principal transactions (arrangements where an adviser buys securities from or sells securities to client accounts from its own accounts) or agency cross transactions (arrangements where an adviser acts as broker on both the buy-side and sell-side of a transaction). We do not manage any proprietary investments.

When we provide investment advice to you regarding your retirement plan account or individual retirement account (IRA), 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.

* It should be noted that the fiduciary duties enumerated above do not differ from those we observe in all our advisory activities.

Item 12. Brokerage Practices

Cowan Capital requires that clients establish brokerage accounts with Altruist, a registered broker/dealer, member FINRA/SIPC, to act as the custodian of clients' assets and to effect trades for their accounts. Cowan Capital is independently owned and operated and not affiliated with Altruist. Altruist provides Cowan Capital with access to its institutional trading and custody services, which are typically not available to its retail investors. These services generally are available to all independent investment advisers that participate in Altruist's custodial program, on an unsolicited basis and at no charge to the adviser, once the custodial relationship is established. Altruist's services include custody, brokerage, research and access to mutual funds and other investments that are otherwise generally available only to institutional investors or would require a significantly higher minimum initial investment. The availability of these services does not depend on the number of brokerage transactions directed to Altruist; therefore, they are not considered soft dollar arrangements.

Commission rates and securities transaction fees charged to effect a client's transactions are established by the executing custodian.

Cowan Capital does not participate in any soft dollar arrangements, nor do we receive client referrals from a broker-dealer or third party.

Cowan Capital does not permit clients to direct trade execution to a specified broker-dealer other than the custodian. If clients were permitted to direct trade execution, we might be unable to achieve most favorable execution of client transactions, and this could cost clients more money. Some advisers do permit clients to direct trade execution.

When feasible, we will aggregate client trades (block trades for multiple clients in the same security on the same day), and shares shall be allocated among participating client accounts at an average price.

Item 13. Review of Accounts

Cowan Capital will review client accounts on a quarterly basis at a minimum, with consultation with clients no less than annually. All reviews will be conducted by James L. Cowan.

Outside of regular review cycles, substantial market moves, other economic factors, or changes in a client's situation will trigger account reviews to ensure coherence to client objectives and risk tolerance.

Cowan Capital does not provide regular written reports to clients. Clients are urged to review statements from the custodian, compare them to invoices from Cowan Capital, and contact Cowan Capital promptly with any questions, discrepancies, or concerns.

Item 14. Client Referrals and Other Compensation

Cowan Capital does not receive economic benefits from any third party for providing investment advice to clients. Cowan Capital does not pay or receive solicitation fees for referral of clients.

Item 15. Custody

We do not accept or maintain physical custody of any client funds or securities, except in the instance of withdrawing our advisory fees from clients' brokerage accounts. Each time we directly debit our advisory fee:

- We will send an invoice to the custodian, and the custodian will provide an itemized invoice to the client, which includes the formula used to calculate the fee, the value of the assets under management on which the fee is based, and the time period covered by the fee.
- Client assets are maintained at Altruist, who will send statements directly to clients no less than quarterly. Clients are urged to carefully review their statements.
- Clients provide written authorization to permit us to be paid directly from their brokerage accounts held by the custodian.

Clients will receive custodian statements at least quarterly that show the fee deductions. Clients are urged to review statements from the custodian and contact Cowan Capital promptly with any discrepancies, questions, or concerns.

Item 16. Investment Discretion

With its portfolio management services, Cowan Capital requires discretionary authority to manage investment portfolios on behalf of clients, and clients will grant discretionary authority in their advisory agreement. Discretionary authority includes authority to determine which securities to purchase or sell and the amounts of securities to be bought or sold, without first seeking approval or confirmation from the client.

Recommendations made under our financial planning services with regard to accounts for which we do not provide portfolio management services are provided on a non-discretionary basis. Clients have the option to implement any of the recommendations made in the financial plan. Clients are responsible for initiating any transactions necessary to implement our recommendations. You are not obligated to implement any financial recommendation made in a financial plan. If clients elect to act on any recommendation in a financial plan, they are under no obligation to effect transactions through Cowan Capital.

Item 17. Voting Client Securities

Cowan Capital 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 may direct proxy questions to either Cowan Capital or the issuer of the security.

Item 18. Financial Information

Cowan Capital does not have any financial condition that is likely to impair our ability to meet contractual commitments to clients.

We will not bill or collect fees of \$500 or more, six months or more in advance.

Neither Cowan Capital nor any management person has been the subject of a bankruptcy petition.

Item 19. Requirements for State-Registered Advisers

James L. Cowan is the firm's principal executive officer. Please see the Brochure Supplement below for his education and business background.

Neither Cowan Capital nor any supervised person is compensated for advisory services with performance-based fees.

Neither Cowan Capital nor any management person has been involved in an arbitration claim of any kind or been found liable in a civil, self-regulatory organization, or administrative proceeding.

Neither Cowan Capital nor any management person has any relationship or arrangement with issuers of securities.

Cowan Capital maintains a written Business Continuity Plan that identifies procedures related to an emergency or significant business disruptions, including the death of the investment adviser or any of its representatives.



Cowan Capital LLC

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Part 2B of Form ADV: Brochure Supplement for James L. Cowan

August 9, 2023

Item 1. Cover Page

This brochure supplement provides information about James L. Cowan that supplements the Cowan Capital LLC brochure. You should have received a copy of that brochure. Please contact James L. Cowan at (650) 242-8704 if you did not receive Cowan Capital LLC's brochure or if you have any questions about the contents of this supplement.

Additional information about James L. Cowan is available on the SEC's website at www.adviserinfo.sec.gov.

James L. Cowan's Central Registration Depository (CRD) number is # 3126474.

Item 2: Educational Background and Business Experience James L. Cowan

Year of Birth: 1963

Formal Education:

- Master of Business Administration (MBA), Finance, University of Colorado at Denver, 2001
- Bachelor of Arts (BA), Russian Language & Literature, University of King's College, 1986

Business Background:

- March 2023 – present, Cowan Capital, LLC, Managing Member and Chief Compliance Officer
- March 2005 – March 2023, Fisher Investments, Investment Counselor

Item 3: Disciplinary Information

There are no disciplinary events to disclose.

Item 4: Other Business Activities

James L. Cowan has no business activities outside of Cowan Capital.

Item 5: Additional Compensation

James L. Cowan does not receive any economic benefit other than fees for providing advisory services through Cowan Capital as described in Item 5: Fees (above).

Item 6: Supervision

James L. Cowan is the Chief Compliance Officer for Cowan Capital LLC, and supervises the firm's compliance with all applicable securities regulations, including his own, and will adhere to the firm's policies and procedures. He can be reached at the telephone number found on the cover page of this Brochure Supplement.

Item 7: Requirements for State-Registered Advisers

James L. Cowan has no legal, disciplinary, or regulatory events to disclose. James L. Cowan has never been the subject of a bankruptcy petition.