

THREE BELL CAPITAL LLC

Firm Brochure - Form ADV Part 2A



4 Main Street, Suite 230
Los Altos, CA 94022
(650) 843-9836
greg@three-bell.com
www.three-bell.com

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This brochure provides information about the qualifications and business practices of Three Bell Capital LLC. If you have any questions about the contents of this brochure, please contact us at (650) 843-9836 or by email at: greg@three-bell.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 Three Bell Capital LLC is also available on the SEC's website at www.adviserinfo.sec.gov. Three Bell Capital LLC's CRD number is: 159736

Item 2: Material Changes

There are the following material changes in this brochure from the last annual updating amendment of Three Bell Capital LLC on 03/17/2023. Material changes relate to Three Bell Capital LLC fees and compensation, clients, policies, practices or conflicts of interests only.

1. Three Bell Capital LLC is now the investment manager and general partner, through affiliates, of one additional private fund called Resonant Venture Capital Fund I, LP. (Items 4, 6, 8, 10 & 11).

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Item 4: Advisory Business

A. *Description of the Advisory Firm*

Three Bell Capital LLC is a Limited Liability Company organized in the state of California.

This firm has been in business since November of 2011, and the principal owners are Jonathan H. Porter, Eric C. Patterson and Andre E. Huaman. Gregory Fomin is the firm's Chief Compliance Officer.

B. *Types of Advisory Services*

Three Bell Capital LLC (hereinafter "TBC") offers two broad categories of services to advisory clients: private wealth management and corporate retirement plans.

Private Wealth Management Services

Investment Supervisory Services

TBC offers ongoing portfolio management services based on the individual goals, objectives, time horizon, and risk tolerance of each client. TBC creates an Investment Policy Statement for each client, which outlines the client's current situation (income, tax levels, and risk tolerance levels) and then constructs a plan (the Investment Policy Statement) to aid in the selection of a portfolio that matches each client's specific situation. Investment Supervisory Services include, but are not limited to, the following:

- Investment strategy
- Personal investment policy
- Asset Allocation
- Asset selection
- Risk Tolerance
- Regular portfolio monitoring

TBC evaluates the current investments of each client with respect to their risk tolerance levels and time horizon. TBC will request discretionary authority from clients in order to select securities and execute transactions without permission from the client prior to each transaction. Risk tolerance levels are documented in the Investment Policy Statement, which is given to each client. TBC offers financial planning services that are included in the quarterly management fees and do not cost anything additional.

Services Limited to Specific Types of Investments

TBC generally limits its money management to mutual funds, equities, bonds, fixed income, debt securities, ETFs, hedge funds, REITs, Private Equity, venture capital, private credit and government securities. TBC may use other securities as well to help diversify a portfolio when applicable.

TBC is the manager of and provides investment advice to several private funds. These include HMC Stacks I, LLC, Resonant Growth Equity I, LLC, Resonant CLO I, LLC, Resonant Absolute Return Fund, LP, Resonant Absolute Return Offshore Fund, Ltd., Resonant Strategic Income Fund, LP, Resonant Private Equity Fund I, LP, Resonant Vista Access I, LLC and Resonant Venture Capital Fund I, LP (collectively, the “Resonant Funds”). With respect to Resonant Absolute Return Fund, LP, Resonant Strategic Income Fund, LP, Resonant Private Equity Fund I, LP, and Resonant Venture Capital Fund I, LP affiliates of TBC serve as the General Partner to these private funds. The advisory fees that TBC receives for providing these services are set forth in the investment management agreement between TBC and each fund. Additional detail about the fees charged to an investor in such fund is available in the respective fund’s governing or offering documents. Pooled investment vehicles are responsible for the payment of all third-party fees and expenses (i.e. underlying manager fees, custodian fees, brokerage fees, legal fees, accounting/audit fees, administration fees, etc. as applicable). Those fees are separate and distinct from the fees and expenses charged by TBC.

Corporate Retirement Plan Services

In addition to private wealth management, TBC also offers advisory services to corporate retirement plans.

- Investment Management
- Participant Education
- Fee Benchmarking
- Platform Selection
- Plan Design
- Fiduciary Support

Investment Management

One of the most critical functions a plan advisor must provide is selecting, monitoring, and managing the plan investment options, not just at plan inception, but on an ongoing basis. TBC uses a sophisticated suite of institutional software to create a well-diversified menu of investment options that will allow plan participants to create an asset allocation to meet their specific needs. TBC then monitors the fund lineup and, if and when necessary, recommends changes to those investments to ensure they remain optimized.

Platform Selection

One of the first choices a retirement plan client will have to make is platform selection. Retirement plan platforms, often referred to as “recordkeepers”, are not one size fits all. The services, features, capabilities, reporting, and pricing all vary greatly by platform, and it is important to evaluate multiple platforms to find the right fit for each particular plan, based on number of participants, projected growth, plan assets, and participant sophistication. TBC works agnostically with most major platform providers, understand the relative strengths of each, and help clients make the right choice.

Plan Design

Every organization is unique and different. TBC ensures each company's retirement plan is custom tailored to the client's specifications and optimized for the organization's goals and objectives. The TBC retirement plan team will meet with the client, discuss goals and objectives, understand what the client is looking to accomplish with the plan, and then walk the client through the various options. TBC will then work in conjunction with the plan administrators to implement a purposeful plan design, with targeted recommendations.

Fiduciary Support

Retirement plan committee members all have other jobs within the organization, and they do not have the time or resources to stay up to speed on and meet their ongoing fiduciary obligations. However, the consequences of failing in any one of these fiduciary duties can be catastrophic, because being a fiduciary means you carry personal liability for certain aspects of the company's retirement plan. We use process-driven software and schedules to assist our clients in meeting their fiduciary obligations. When TBC is engaged as a plan advisor, they act as a co-fiduciary on the plan, in tandem with the plan committee. At the client's election, TBC can act as either a full discretionary fiduciary, with the ability to make changes to the plan on behalf of the committee (a Section 3(21) fiduciary), or a non-discretionary fiduciary whereby TBC advises the plan committee but the ultimate discretion and action falls upon the plan committee itself for all actions taken on behalf of the plan (a Section 3(38) fiduciary).

Fee Benchmarking

One of the most critical, and often litigated, fiduciary duties is to ensure that the plan costs are all reasonable. Many advisors will do this for just the investment options. However, TBC not only evaluates and benchmarks fund fees, but also the fees associated with the platform ("recordkeeper"), the third-party administrator (if applicable), the auditor, and TBC as the plan advisor. Consistent with the committee's fiduciary obligation, TBC does this annually in a comprehensive fee benchmarking report, which is reviewed with the plan committee, and then any necessary adjustments and recommendations are implemented to maintain plan compliance.

Participant Education

Unfortunately, many retirement plans have dismal enrollment and engagement numbers. This is most often the result of anemic participant education and training. TBC will work with the plan committee to ensure that participants have optimal in-person and online training. TBC's education programs and topic areas are client-specific, meaning that employees are receiving targeted education materials, information, and training, specific to a particular mandate or perceived need.

C. Client Tailored Services and Client Imposed Restriction

TBC offers the same suite of services to all of its clients. However, specific client financial plans and their implementation are dependent upon the client Investment Policy Statement which outlines each client's current situation (income, tax levels, and risk tolerance levels) and is used to construct

a client specific plan to aid in the selection of a portfolio that matches restrictions, needs, and targets.

Clients may impose restrictions in investing in certain securities or types of securities in accordance with their values or beliefs.

D. Wrap Fee Programs

A wrap fee program is an investment program where the investor pays one stated fee that includes management fees, transaction costs, fund expenses, and any other administrative fees. TBC DOES NOT participate in any wrap fee programs.

E. Amounts Under Management

| | |
|---|--------------------------|
| Discretionary Assets Under Management: | \$ 950,040,766 |
| Non-Discretionary Assets Under Management: | \$ 1,750,878, 690 |
| TOTAL Assets Under Management: | \$ 2,700,919,456 |

Item 5: Fees and Compensation

Fee Schedule

Private Wealth Management Services Fees

TBC charges private wealth clients a management fee equal to a percentage multiplied by the amount of total assets under management that the client has placed with TBC. The percentage amount ranges from a low of .50% (fifty basis points) to a maximum of 1.00% (one hundred basis points) and is determined by the level of a client's assets under TBC's management. Generally, the more assets a client has placed with TBC, the lower the management fee. The management fee is tiered in that a higher management fee is charged on lower amounts of assets. As a client increases the level of assets placed with TBC, a lower fee will be charged as higher asset threshold levels are reached. This is often referred to as a "tiered" management fee methodology. Specific management fee percentages and tier threshold amounts are stated in each client's Investment Advisory Agreement.

These fees are negotiable depending upon the needs of the client and complexity of the situation, and the final fee schedule is attached as Exhibit II of the Investment Advisory Agreement. Fees are paid quarterly in arrears based upon average daily balance, and clients may terminate their contracts with written notice to TBC. Because fees are charged in arrears, no refund policy is necessary. Clients may terminate their accounts without penalty within 5 business days of signing the advisory contract. Advisory fees are withdrawn directly from the client's accounts with client written authorization.

In the event that margin transactions are used in a client account, the client may be charged fees and interest by the custodian providing the margin. Such fees and interest may vary based on the custodian

used as well as the prevailing interest rate environment. If margin is used to purchase securities at TBC's direction, those assets purchased with margin will be subjected to TBC's wealth management fee. If margin is used for anything other than the purchase of securities, TBC's wealth management fee is not applied.

Lower fees for comparable services may be available from other sources.

Corporate Retirement Plan Services Fees

These fees are negotiable, and can vary greatly for each individual client, depending upon the needs of the client and complexity of the situation, the recordkeeping platform used, whether the plan administrator is the same as the plan platform, and a variety of other factors. The final fee schedule is attached as an exhibit to each Investment Advisory Contract.

Corporate Retirement Plan Assets Under Management (AUM) Fee

TBC fees are determined by reference to the value of assets held in custody by the plan's custodian (such assets being referred to herein as the "Trust Account") and will represent a pro rata portion of an annual fee equal to a % of the value of the Trust Account as memorialized below or in the client's Investment Advisory Agreement.

TBC may modify or change the fees specified herein. The fee will be based on the value of the plan as of the last business day of the preceding fee period and will be payable in full immediately upon the date of TBC's invoice. The calculation of quarterly fees based on an annual percentage of plan assets varies by recordkeeper, and as such, the exact dollar amount of any such fee will vary depending upon which recordkeeper is engaged.

In determining the value of the Plan assets for purposes of calculating any asset-based fees, TBC may rely upon the valuation of assets provided by client or the plan's custodian or recordkeeper without independent verification.

| <i>Total Assets Under Management</i> | <i>Annual Fee</i> | <i>Flat Fee</i> |
|---|--------------------------|------------------------|
| \$1-\$999,999 | 1% | \$6,500 |
| \$1,000,000 - \$4,999,999 | 0.6% | \$5000 |
| \$5,000,000 - \$19,999,999 | 0.4% | \$0 |
| \$20,000,000 and Above | 0.2% | \$0 |

Corporate Retirement Plan Flat Fee

Flat fee applicability varies by client. If a flat fee is used in conjunction with, or instead of an AUM fee, that fee will be payable quarterly, in advance, unless otherwise stated. As of the billing cycle immediately following the annual anniversary of the client engagement agreement, and on each annual anniversary thereafter, the amount of the stated annual fee may be subject to a 5% increase. This new annual fee shall supersede the previous fee for all subsequent billing cycles. At

its discretion, TBC may choose to implement a fee increase that is less than 5%, but this shall not affect any fee increase applicable on future anniversary dates. A flat fee may also be used in conjunction with an asset under management fee, if determined to be appropriate by the committee and TBC.

Corporate Retirement Plan Setup Fee

For newly established plans, TBC may charge a one-time setup fee. Clients have the option of paying this setup fee via pro-rata (based upon the participant's account balance), or per-capita (by dividing the fees equally among each participant) deduction from the plan assets held at the custodian/recordkeeper, or via direct invoice to client. All setup fees will be due and payable immediately.

B. Payment of Fees

Payment of Private Wealth Management Fees

Advisory fees are withdrawn directly from the client's accounts with client written authorization. Fees are paid quarterly in arrears based on average daily balance. TBC does not collect fees in advance. Advisory fees may also be invoiced and billed directly to the client quarterly in arrears based on average daily balance. Clients may select the method in which they are billed.

Payment of Corporate Retirement Plan Fees

TBC may receive fees directly from the custodian, via a state insurance license, or via direct invoice paid by the client, depending upon the manner in which the plan is established.

In certain instances, these fees may include upfront compensation for transitioning a plan from one custodian to another. In such cases, fees may be based on (i) a percentage of the value of the plan assets transferred as of a particular date, and (ii) plan assets added over a designated timeframe post transition to a new custodian. Such fees may be paid by the custodian directly as compensation above and beyond the fixed percentage annual fees based on plan assets, or in some cases, they may be paid pro-rata directly from plan participants' custodial accounts.

Fees payable upon establishment or termination of the client engagement agreement will be prorated for the portion of the calendar quarter covered by such agreement.

C. Clients Are Responsible 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 TBC. Please see Item 12 of this brochure regarding broker/custodian. TBC's fees do not include the fees of investment or money managers who are selected to manage all or a portion of the Account Assets or who manage pooled investment vehicles in which Account Assets are invested. In addition, costs or charges associated with certain securities transactions, including dealer mark-ups or mark-downs and normal broker commissions, legal and accounting fees, administrator fees, custodian fees, trustee fees, record keeper fees, and account liquidation or

termination costs will be separately charged to private wealth management clients or the plan participants' accounts.

D. Outside Compensation for the Sale of Securities to Clients

TBC does not accept commissions or other outside compensation for the sale of securities to Clients.

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

TBC is the manager of and provides advice to several private funds. These include HMC Stacks I, LLC, Resonant Growth Equity I, LLC, Resonant CLO I, LLC, Resonant Absolute Return Fund, LP, Resonant Absolute Return Offshore Fund, Ltd., Resonant Strategic Income Fund, LP, Resonant Private Equity Fund I, LP, Resonant Vista Access I, LLC and Resonant Venture Capital Fund I, LP (collectively, the "Resonant Funds"). With respect to Resonant Absolute Return Fund, LP, Resonant Strategic Income Fund, LP, Resonant Private Equity Fund I, LP and Resonant Venture Capital Fund I, LP, affiliates of TBC serve as the General Partner to these private funds. Any and all fees received by TBC or its affiliate are set forth in the governing or offering documents of the Resonant Funds. TBC anticipates being the manager and/or General Partner, either directly or through affiliates, of future private funds. Generally, additional details about the fees and expenses charged to an investor in such private fund is available in the limited partnership or operating agreement for that specific fund.

TBC may accept performance-based fees or other fees based on a share of capital gains on or capital appreciation of the assets of a client in such Resonant Funds.

Item 7: Types of Clients

TBC generally provides investment management advisory services to the following types of clients:

- High-Net-Worth Individuals and Families
- Corporate Retirement Plans

Minimum Account Size

Typically, there is a \$1,000,000 minimum relationship size. However, TBC management has discretion to make exceptions.

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

A. Methods of Analysis and Investment Strategies

Methods of Analysis

TBC's methods of analysis include charting analysis, fundamental analysis, technical analysis, and cyclical analysis.

Charting Analysis involves the use of patterns in performance charts. TBC uses this technique to search for patterns used to help predict favorable conditions for buying and/or selling a security.

Fundamental Analysis involves the analysis of financial statements, the general financial health of companies, and/or the analysis of management or competitive advantages.

Technical Analysis involves the analysis of past market data; primarily price and volume.

Cyclical Analysis involved the analysis of business cycles to find favorable conditions for buying and/or selling a security.

Investment Strategies

Investment Strategies utilized by TBC include long term trading, short term trading, private investments, short sales, margin transactions, and options writing (including covered options, uncovered options, or spreading strategies).

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

B. Material Risks Involved

Methods of Analysis

Charting Analysis strategy involves using and comparing various charts to predict long and short-term performance or market trends. The risk involved in solely 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.

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 work long term.

Cyclical Analysis assumes that the markets react in cyclical patterns which, once identified, can be leveraged to provide performance. The risks with this strategy are two- fold: 1) the markets do not always repeat cyclical patterns and 2) if too many investors begin to implement this strategy, it changes the very cycles they are trying to take advantage of.

Investment Strategies

Long term trading is designed to capture market rates of both return and risk. Frequent trading, when utilized, can affect investment performance, particularly through increased brokerage and other transaction costs and taxes.

Short term trading, short sales, margin transactions, private investments and options writing generally hold greater risk and clients should be aware that there is a material risk of loss using any of those strategies.

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

C. Risks of Specific Securities Utilized

TBC generally seeks investment strategies that do not involve significant or unusual risk beyond that of the general domestic and/or international equity markets (systemic risks). However, it may utilize short sales, margin transactions, private investments and options writing for individual cases. Short sales, margin transactions, private investments and options writing generally hold greater risk of capital loss and clients should be aware that there is a material risk of loss using any of those strategies.

Mutual Funds: Investing in mutual funds carries the risk of capital loss. Mutual funds are not guaranteed or insured by the FDIC or any other government agency. You can lose money investing in mutual funds. All mutual funds have costs that lower investment returns. They can be of bond “fixed income” nature (lower risk) or stock “equity” nature (mentioned above).

Equities: Generally refers to buying shares of stocks by an individual or firms in return for receiving a future payment of dividends and capital gains if the value of the stock increases. There is an innate risk involved when purchasing a stock that it may decrease in value and the investment may incur a loss.

Treasury Inflation Protected/Inflation Linked Bonds: The Risk of default on these bonds is dependent upon the U.S. Treasury defaulting (extremely unlikely); however, they carry a potential risk of losing share price value, albeit rather minimal.

Fixed Income is an investment that guarantees fixed periodic payments in the future that may involve

economic risks such as inflationary risk, interest rate risk, default risk, repayment of principal risk, etc.

Debt Securities: carry risks such as the possibility of default on the principal, fluctuation in interest rates, and counterparties being unable to meet obligations.

Stocks & Exchange Traded Funds (ETF): Investing in stocks & ETF's carries the risk of capital loss (sometimes up to a 100% loss in the case of a stock holding bankruptcy). Investments in these securities are not guaranteed or insured by the FDIC or any other government agency.

REITs: have specific risks including valuation due to cash flows, dividends paid in stock rather than cash, and the payment of debt resulting in dilution of shares.

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 other 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.

Short Term Trading: risks include liquidity, economic stability and inflation.

Short Sales: risks include the upward trend of the market and the infinite possibility of loss.

Margin Transactions: use leverage that is borrowed from a brokerage firm as collateral.

Options: involves a contract to purchase or sell a security at a given price at a future date, not necessarily at market value, depending on the market.

Private Funds (Hedge Funds, Private Equity Funds, Private Credit & Venture Funds): are generally private investments as a limited partner, or limited liability company member, representing a fractional ownership in a private fund run by general partners or managing members with investment control. Limited partners supply capital to invest only and do not have any investment authority, discretion or responsibility. The general partners or managing members are solely responsible for the management of the limited partners' or members' capital. Private funds have a variety of different investment strategies that range from more conservative to more aggressive, and everything in between. Private funds are considered securities and as such carry investment risk and potential loss. Private funds can have lower volatility and lower correlation to the stock or bond indices, but generally have higher management fees, as well as performance or carried interest fees, which lower overall returns. Most private funds are also less liquid than publicly traded securities and investors can only withdraw money from them on a quarterly, annual, or term of years basis, depending on the type of private fund.

Resonant Funds: As discussed above, TBC is the investment manager of and provides advice to the Resonant Funds. Moreover, affiliates of TBC serve as the General Partner to several Resonant Funds structured as limited partnerships. The methods of analysis, investment strategies, & risk of loss for such services are generally described in the respective Resonant Fund's governing or offering documents.

Structured Notes: are sometimes utilized to provide access to broad market indices in a way that

provides downside protection from market losses not otherwise readily available in a naked index fund. A structured note is a debt instrument with a set maturity date, underwritten by a financial institution, which tracks to the returns of a specific set of underlying indices and pays cash to the investor at maturity. Structured notes will often utilize a combination of derivatives or options to effectuate upside leverage or downside protection, and those are built into the price and performance of the notes when the note is first structured. Structured notes do not pay the dividends associated with the underlying indices, carry issuer risk if the underwriter becomes insolvent, and are generally considered to be illiquid since the upside and downside is only guaranteed at maturity

Past performance is not a guarantee of future returns. Investing in securities involves a risk of loss that you, as a client, should be prepared to bear.

Item 9: Disciplinary Information

A. Criminal or Civil Actions

There are no criminal or civil actions to report

B. Administrative Proceedings

There are no administrative proceedings to report.

C. Self-regulatory Organization (SRO) Proceedings

There are no self-regulatory organization proceedings to report.

Item 10: Other Financial Industry Activities and Affiliations

A. Registration as a Broker/Dealer or Broker/Dealer Representative

Neither TBC nor its representatives are registered as or have pending applications to become a registered representative of any FINRA broker dealer.

B. Registration as a Futures Commission Merchant, Commodity Pool Operator, or a Commodity Trading Advisor

Neither TBC nor its representatives are registered as or have pending applications to become a Futures Commission Merchant, Commodity Pool Operator, or a Commodity Trading Advisor.

C. Registration Relationships Material to this Advisory Business and Possible Conflicts of Interests

TBC is the investment manager to the Resonant Funds. Moreover, TBC affiliates act as the General Partner to certain Resonant Funds that are formed as limited partnerships. TBC will recommend investments in these private funds to those clients for which investment in the funds is suitable. This presents a conflict of interest in that TBC or its related persons may receive more compensation from investment in the Resonant Funds than from other investments. Nevertheless, TBC acts in the best interest of the client consistent with its fiduciary duties and clients are not required invest in the Resonant Funds if they do not wish to do so.

All material conflicts of interest under Section 260.238 (k) of the California Corporations Code are disclosed regarding the investment adviser, its representatives and affiliates or any of its employees, which could be reasonably expected to impair the rendering of unbiased and objective advice.

D. Selection of Other Advisers or Managers and How This Adviser is Compensated for Those Selections

From time to time as it deems appropriate, TBC will utilize or select third party managers who manage and operate separately managed accounts (“SMA’s”) or pooled investment vehicles to manage certain portions of Client portfolios. Specifically, the Resonant Funds operate as “fund-of-funds” and, thus, invest all of their assets into funds or SMAs managed by third party managers. In such cases, TBC monitors these SMA’s and/or funds in the same manner as it does assets that TBC invests directly. All other assets are managed by TBC management and employees.

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

A. Code of Ethics

We have 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. Our Code of Ethics is available free upon request to any client or prospective client.

B. Recommendations Involving Material Financial Interests

TBC is the investment manager of the Resonant Funds, a series of private funds formed and sponsored by TBC. TBC will recommend investments in these Resonant Funds to those clients for which investment in the respective fund is suitable. This presents a conflict of interest in that TBC or its affiliates or related persons may receive more compensation from investment in the Resonant Funds than from other investments. Nevertheless, TBC acts in the best interest of the client consistent with its fiduciary duties and clients are not required invest in the Resonant Funds if they do not wish to do so. The principals of TBC are personally invested in one or more of the Resonant Funds alongside TBC's clients. However, as principals of TBC who is the investment manager of the Resonant Funds, the principals are not charged certain performance-based fees and/or other fees that other investors are required to pay.

TBC is a fee-based advisor and does not recommend that clients buy or sell any security in which a related person to TBC or TBC itself has a material financial interest.

TBC is an advisor to multiple corporate retirement plans, primary 401(k) and cash balance pension plans ("Plan(s)"). These Plans are comprised of underlying constituent participants with whom TBC interacts and provides financial advice to on a regular basis. TBC may endeavor to offer private wealth management services to Plan participants which may result in higher fees paid to TBC.

In providing financial advice to Plan participants, TBC may recommend that a Plan participant roll assets held in another plan into either (i) the Plan or (ii) an IRA with TBC or with another third-party advisor. In such cases, any recommendations will be made based upon what TBC believes to be in the Plan participant's best interests taking into account cost, fees in the Plan vs. fees in an IRA or the existing plan, investment flexibility, and the Plan participant's stated goals and objectives.

Any individualized services provided by TBC to Plan participants, which include recommendations concerning the investment of the proceeds of a distribution from the Plan or other assets held outside the Plan will be performed under a separate agreement between TBC and the Plan participant.

In providing these services, TBC is acting as a Registered Investment Advisor ("RIA") and provides investment management consulting services for the management of liquid assets and is compensated for those services on a fee-only basis, based on a percentage of the Plan assets.

The above notwithstanding, TBC may receive compensation directly from the plan asset custodian or recordkeeper, via a state insurance license, or via direct invoice paid by the Client, depending upon the manner in which the Plan is established.

In certain instances, these fees may include upfront compensation for transitioning a Plan from one custodian, platform or recordkeeper to another. In such cases, fees may be based on (i) a percentage of the value of the Plan assets transferred as of a particular date (typically 1%), and (ii) Plan assets added over a designated timeframe post transition to a new custodian, platform or recordkeeper. Such fees may be paid by the custodian, platform or recordkeeper, directly as compensation above and beyond the fixed percentage annual Fees based on Plan assets, or in some cases, they may be paid pro-rata directly from Plan Participants' accounts.

C. Investing Personal Money in the Same Securities as Clients

From time to time, representatives of TBC may buy or sell securities for themselves that they also recommend to clients. This may provide an opportunity for representatives of TBC to buy or sell the same securities before or after recommending the same securities to clients resulting in representatives profiting off the recommendations they provide to clients. Such transactions may create a conflict of interest. TBC will always document any transactions that could be construed as conflicts of interest and will always transact client business before their own when similar securities are being bought or sold and a potential for material impact on client or TBC pricing is reasonably believed to exist.

D. Trading Securities At/Around the Same Time as Clients' Securities

From time to time, representatives of TBC may buy or sell securities for themselves at or around the same time as clients. This may provide an opportunity for representatives of TBC to buy or sell securities before or after recommending securities to clients resulting in representatives profiting off the recommendations they provide to clients. Such transactions may create a conflict of interest. TBC will always transact client's transactions before its own when similar securities are being bought or sold and a potential for material impact on client or TBC pricing is reasonably believed to exist.

Item 12: Brokerage Practices

A. Factors Used to Select Custodians

The Custodians, TD Ameritrade Institutional, a division of TD Ameritrade, Inc., member FINRA/SIPC ("TD"), and Schwab Institutional, a division of Charles Schwab & Co., Inc., member FINRA/SIPC (CRD # 5393) ("Schwab"), both SEC-registered broker-dealers, were chosen based on their relatively low transaction fees and access to mutual funds, stocks, bonds and ETFs. TBC will never charge a premium or commission on transactions, beyond the actual cost imposed by Custodian. It should be noted that TD and Schwab are in the process of merging.

From time to time, TBC will utilize one of two self-directed custodians, PENSCO Trust or IRA Services (AKA "Forge Trust") to invest in securities that are not custodied at one of TBC's primary custodians, TD or Schwab. In these instances, the fees for custody charged by these self-directed custodians are often higher than at either primary custodian, and they were selected because they have capabilities to custody certain assets not otherwise available at one of the primary custodians.

1. Research and Other Soft-Dollar Benefits

TBC does not receive research, products, or other services from third-parties in connection with client securities transactions ("soft dollar benefits"). The first consideration when recommending Custodians to clients is best execution. TBC always acts in the best interest of the client.

2. Brokerage Practices

TBC participates in the institutional advisor program ("AdvisorDirect") offered by TD. TD offers to independent investment advisors services which include custody of securities, trade execution,

clearance and settlement of transactions. Advisor receives some benefits from TD through participation in AdvisorDirect, more fully described in Item 14 below.

3. Clients Directing Which Broker/Dealer/Custodian to Use

TBC will not allow clients to direct TBC to use another specific broker-dealer to execute transactions. Clients must use one of TBC recommended custodians (broker- dealer).

B. Aggregating (Block) Trading for Multiple Client Accounts

TBC maintains the ability to block trade purchases across accounts. Block trading may benefit a large group of clients by providing TBC the ability to purchase larger blocks of securities resulting in smaller transaction costs to the client. Declining to block trade can result in more expensive trades for clients.

Item 13: Reviews of Accounts

A. Frequency and Nature of Periodic Reviews and Who Makes Those Reviews

Client accounts are reviewed periodically based upon each client's portfolio and strategy complexity by one or more TBC IAR's responsible for and familiar with the clients' accounts, investment policies and risk tolerance levels. As present, these IAR's include: Jonathan H. Porter, Managing Partner and CEO; Eric C. Patterson, Managing Partner and CIO; Bill Martin, Chief Investment Strategist, Sunkul Soni, Senior Wealth Advisor; Dean Somes, Senior Wealth Advisor; Steve Stroud, Senior Wealth Advisor; Zach Kerr, Senior Wealth Advisor; Andre Huaman, Partner; Jeff Larsen, Director of Corporate Client Services; Miki Sakata; Retirement Plan Consultant; Jeff Scheibley, Retirement Plan Consultant, or Chris Fisher, Retirement Plan Consultant (collectively, the "Advisors"). Each Client is assigned to or more Advisors for purposes of these reviews.

B. Factors That Will Trigger a Non-Periodic Review of Client Accounts

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

C. Content and Frequency of Regular Reports Provided to Clients

Each client will receive at least quarterly from the custodian a written report that details the client's accounts, including assets held and asset values which will come from the custodian.

Clients are provided an initial investment plan and TBC utilizes forward looking financial planning software to provide clients a framework for ongoing implementation and monitoring of the investment plan. The financial planning is included in the TBC investment advisory fees outlined in Item 5.

Item 14: Client Referrals and Other Compensation

A. Economic Benefits Provided by Third Parties for Advice Rendered to Clients (Includes Sales Awards or Other Prizes)

TBC does not receive any economic benefit, directly or indirectly from any third party for advice rendered to TBC clients.

B. Compensation to Non-Advisory Personnel for Client Referrals

TBC may compensate certain third parties for Client referrals where TBC provides investment advisory services to a Client as a result of the third party's introduction. These third parties are individuals or entities with whom TBC has substantial and ongoing interactions and who may provide complementary non-competing services to TBC Clients. TBC encourages Client referrals from its trusted strategic partners because it believes that doing so reduces time spent on outbound marketing and business development, leaving more time for servicing existing Clients. All such referral activities will be conducted in accordance with Rule 206(4)-1 under the Advisers Act, where applicable.

C. Client Referrals and Compensation Related to the Schwab Advisor Network Program

TBC receives client referrals from Charles Schwab & Co., Inc. ("Schwab") through TBC's participation in Schwab Advisor Network® ("SAN"). SAN is designed to help investors find an independent investment advisor. Schwab is a broker-dealer independent of and unaffiliated with TBC. Schwab does not supervise TBC and has no responsibility for TBC's management of clients' portfolios or TBC's other advice or services. TBC pays Schwab fees to receive client referrals through SAN. TBC's participation in SAN raises potential conflicts of interest described below.

TBC pays Schwab a Participation Fee on all referred clients' accounts that are maintained in custody at Schwab and a separate one-time Transfer Fee on all accounts that are transferred to another custodian. The Transfer Fee creates a conflict of interest that encourages TBC to recommend that client accounts be held in custody at Schwab. The Participation Fee paid by TBC is a percentage of the value of the assets in the client's account. TBC pays Schwab the Participation Fee for so long as the referred client's account remains in custody at Schwab. The Participation Fee is paid by TBC and not by the client. TBC has agreed not to charge clients referred through the SAN fees or costs greater than the fees or costs TBC charges clients with similar portfolios who were not referred through SAN.

The Participation and Transfer Fees are based on assets in accounts of TBC clients who were referred by Schwab and those referred clients' family members living in the same household. Thus, TBC will have incentives to recommend that client accounts and household members of clients referred through SAN maintain custody of their accounts at Schwab.

Item 15: Custody

TBC, with client written authority, has limited custody of client's assets through direct fee deduction of TBC's Fees only. If the client chooses to be billed directly by TD or Schwab, TBC would have constructive custody over that account and must have written authorization from the client to do so. Clients will receive all required account statements and billing invoices that are required in each jurisdiction, and they should carefully review those statements for accuracy.

In addition, TBC may be deemed to have custody of client's assets due to a standing letter of authorization granting TBC third-party money movement authority. In such cases, TBC intends to follow the guidance provided in the SEC's February 21, 2017 'no-action' letter which sets forth certain conditions that, when followed, allows TBC to avoid the annual surprise examination requirement of the Custody Rule.

With respect to the Resonant Funds, and future Resonant Funds, TBC does and will have custody of client's assets committed to those funds by virtue of its role as either the manager or General Partner, directly or through affiliates, of said private funds.

Item 16: Investment Discretion

For those client accounts where TBC provides ongoing supervision, the client has given TBC written discretionary authority over the client's accounts with respect to securities to be bought or sold and the amount of securities to be bought or sold. Details of this relationship are fully disclosed to the client before any advisory relationship has commenced. The client provides TBC discretionary authority via a limited power of attorney in the Investment Advisory Agreement and in the contract between the client and the custodian.

Item 17: Voting Client Securities (Proxy Voting)

TBC 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

A. Balance Sheet

TBC does not require nor solicit prepayment of more than \$1,200 in fees per client, six months or more in advance and therefore does not need to include a balance sheet with this brochure.

B. Financial Conditions Reasonably Likely to Impair Ability to Meet Contractual Commitments to Clients

Neither TBC nor its management have any financial conditions that are likely to reasonably impair our ability to meet contractual commitments to clients.

C. Bankruptcy Petitions in Previous Ten Years

TBC has not been the subject of a bankruptcy petition in the last ten years.