ADV Part 2 – Brochure

For

Mitchell McLeod Pugh & Williams, Inc.

2610 Dauphin Street
Mobile, Alabama 36606
(251) 471-2027
www.mmpw.com

March 25, 2026

This Brochure provides information about the qualifications and business practices of Mitchell McLeod Pugh & Williams, Inc. ["Adviser"]. If you have any questions about the contents of this Brochure, please contact us at (251) 471-2027. 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.

Mitchell McLeod Pugh & Williams, Inc. is a registered investment adviser. Registration of an investment adviser does not imply any level of skill or training. The oral and written communications of an adviser provide investors with information which they may use to determine whether they wish to hire or retain it as an investment adviser.

Additional information about Mitchell McLeod Pugh & Williams, Inc. is also available on the SEC's website at www.adviserinfo.sec.gov.

MM PW
MITCHELL MCLEOD PUGH & WILLIAMS
INVESTMENT ADVISER

Item 2 – Material Changes

On July 28, 2010, the United States Securities and Exchange Commission published "Amendments to Form ADV" which amends the disclosure document that we provide to clients as required by SEC Rules. Our original Brochure prepared in accordance with the SEC's new requirements and rules was dated March 23, 2011. The date of the last annual update to our brochure was March 17, 2025. There have been no material changes made to the Brochure since May 9, 2018, until this brochure.

We will continue to offer to deliver information about our qualifications and business practices to clients on at least an annual basis. Pursuant to new SEC Rules, we will ensure that you receive a summary of any material changes to this and subsequent Brochures within 120 days of the close of our business's fiscal year.

Currently, our Brochure may be requested at any time by contacting Katie McGinley or Leah Nelson at (251) 471-2027 or info@mmpw.com.

Additional information about Mitchell McLeod Pugh & Williams, Inc. is available via the SEC's web site www.adviserinfo.sec.gov. The SEC's web site also provides information about those individuals affiliated with Mitchell McLeod Pugh & Williams, Inc. who are registered, or are required to be registered as investment adviser representatives of Mitchell McLeod Pugh & Williams, Inc.

Material Changes

There have been no material changes made to our brochure since the amendment dated May 9, 2018.

All other changes to this ADV Part 2 are nonmaterial in nature, are provided as clarifications, and/or relate to employees, current dates, method of quarterly report delivery, and calculations of our Regulatory Assets Under Management.

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Part 2B: **Supervised Person Disclosure Supplements**

Item 4 – Advisory Business

We provide investment advisory services, including stock and bond portfolio management, to our clients on a discretionary and non-discretionary basis.

A discretionary account is one in which the client has authorized us to direct the custodian and such brokers as we may select to buy and sell investments in the account without any other consent or authority from the client other than that which is granted in the investment advisory agreement and that which is appropriate based on the investment objectives of the client.

A non-discretionary account is one in which we may give specific investment recommendations to the client, but purchase and sale orders will be placed by the client or by us when we have the client's prior consent.

We also provide non-discretionary investment advisory services and serve as an ERISA Section 3(38) or 3(21) adviser to qualified employee benefit plans including 401-(k) and profit sharing plans and to certain participants in these types of plans. In these types of relationships, we select and monitor the investment options offered to the plan participants, but we do not initiate trades for individual participants. However, we do act as the adviser to the plans themselves, with the sponsors as our client, or to certain participants in these plans. These assets are subject to our "regular and continuous investment advisory services" and therefore they are, by definition, non-discretionary regulatory assets under management.

Together, the assets in our clients' discretionary and non-discretionary accounts as well as the non-discretionary assets in ERISA plans are referred to as our "Assets Under Management."

We manage the portfolio(s) of each client based on the investment objectives and tolerance for risk established at the inception of the relationship and as the client's objectives and/or tolerance for risk may change over time. We allow clients to impose restrictions on investing in certain securities or in certain types of securities.

We do not participate in any wrap-fee programs.

As of December 31, 2025, our Regulatory Assets Under Management are $2,657,582,515. Of that total, $1,907,705,857 is managed on a discretionary basis and $749,876,658 on a non-discretionary basis.

Our firm has been in business since January 20, 2006. The persons owning greater than twenty percent but less than twenty-five percent of our firm are as follows:

Douglas R. McLeod – President and Managing Director
Kyle C. Pugh – Vice President, Secretary, Treasurer and Managing Director
T. Bragg Van Antwerp – Vice President and Managing Director

Item 5 – Fees and Compensation

Fees are charged quarterly in advance based on current market value as of the last day of the quarter pursuant to the fee schedule adopted as a part of each client's investment advisory agreement. The firm has adopted an annual fee schedule for the management of stock and bond portfolios as outlined below. **This fee schedule is subject to negotiation**.

Annual Fee Schedule for Securities Management:

Equity Portfolios

Market Value	Annual Fee
Up to $1MM	1.0%
Next $1MM	0.8%
Next $1MM	0.6%
All over $3MM	0.5%

Fixed Income Portfolios

Market Value	Annual Fee
Up to $1MM	0.5%
Next $1MM	0.4%
Next $1MM	0.3%
All over $3MM	0.25%

Cash & Cash Equivalents

Market Value	Annual Fee
All	0.25%

For certain accounts, we charge a flat annual fee billed quarterly in advance. From time to time, we are asked to render investment advice on a consulting basis. We also may from time to time furnish financial advice to clients on matters not involving securities. Fees for these services are individually negotiated and sometimes charged on an hourly basis.

We also provide general bookkeeping services to certain clients from time to time. Fees for those services are negotiated on an individual basis.

In the event that a client terminates the investment advisory agreement with our firm prior to the end of a quarter, the fee is pro-rated as of the date of the Effective Date of termination. The Effective Date is defined as the point at which, following the receipt of notice of termination, our firm (1) is asked to discontinue investment management, (2) is no longer involved in assisting in the transition of the account in any extraordinary way to another investment firm, and (3) is no longer required to provide any documentation to the client (other than cost basis and tax information).

Clients may elect to be billed directly for fees or to authorize our firm to directly debit fees from the client's account. Management fees may be prorated when a substantial (more than 50% of the portfolio's market value) contribution is made to the account during the applicable calendar quarter. Accounts initiated or terminated during a calendar quarter will be charged a prorated fee for that quarter. Upon termination of any account, any prepaid, unearned fees will be refunded.

Our fees are exclusive of brokerage commissions, transaction fees, and other related costs and expenses which may be incurred by the client. Clients may incur certain charges imposed by custodians and brokers, custodial fees, odd-lot differentials, transfer taxes, wire transfer and electronic fund fees, and other fees and taxes on brokerage accounts and securities transactions. Mutual funds 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 our fee, and our firm does not receive any portion of these commissions, fees, and costs.

Item 12 further describes the factors that we consider in selecting or recommending broker-dealers for client transactions and determining the reasonableness of their compensation (e.g., commissions).

ITEM 6 – Performance-Based Fees and Side-by-Side Management

We do not charge any performance-based fees (a performance-based fee is based on a share of capital gains or capital appreciation of a client's account).

ITEM 7 – Types of Clients

We provide investment advisory services to individuals, high net worth individuals, corporate pension, profit-sharing and 401-(k) plans, charitable institutions, foundations, endowments, government entities, trusts and estates.

ITEM 8 – Methods of Analysis, Investment Strategies and Risk of Loss

Investing in securities involves risk of loss that clients should be prepared to bear.

Investment Strategies and Methods of Analysis - Investment advice and the methods by which we manage assets are a result of the client's specific investment objectives and our analysis of various investment opportunities. The investment strategy for client accounts typically begins with a review of their financial information such as the assets / liabilities, cash flow, income requirements and tax status. Objectives are then set for the account, and a strategy is developed to meet those objectives.

We utilize varying combinations of individual common stocks and bonds, no-load mutual funds, exchange traded funds (ETFs), master limited partnerships (MLPs), and money market accounts to implement the client's investment strategy. The process of how we analyze these different investments depends upon the type of investments chosen to be used in the client's account.

For accounts with growth objectives, we believe that stock investments are the appropriate

vehicle. We think any investment in stocks is a long-term endeavor, and we do not believe that we can "time the market," nor do we make any attempt to do so. "Market timing" is an investment strategy by which investment decisions are made based upon an attempt to predict the future direction of market prices. We believe that the ultimate success of stock investing is made more likely by using a blended and broadly diversified portfolio of high quality no load mutual funds and / or individual common stocks.

In accounts where we think individual common stocks are appropriate, the account is typically built as follows:

- Blended portfolios (approximately equal representation between growth and value stocks)
- Mostly large and mid sized companies
- 50 to 100 individual common stocks per portfolio
- Diversification across economic sectors, industries, and sub industries
- Small companies and international companies through no-load mutual funds.

We use broad diversification and careful selection to reduce the volatility (risk) of an investment in the stock market. This focus on the management of risk is further enhanced by low turnover (tax efficiency) and minimal transaction costs in the portfolio. The result we wish to achieve is a predictable stream of investment returns that will compound over time to meet or exceed the performance of the U.S. stock market as measured by the S&P 500 Index.

In accounts where we believe no-load mutual funds or ETFs are appropriate, we follow a disciplined selection process to build client portfolios. We believe mutual funds and ETFs provide an efficient and cost-effective way to achieve diversification in various areas of the market. In addition, these funds can be used in conjunction with individually managed stock and bond portfolios for the purpose of gaining exposure to areas of the market outside of large U.S. companies.

Our selection process is systematic and unbiased with the primary goal of selecting the best possible funds for client portfolios. We start with a database of common stock and bond funds that has over 12,500 options. We then separate the options into certain classifications such as stock or bond, large company or small company, international or domestic.

After separating the funds, we analyze them based on important criteria such as the fund's objective, its historical returns, how long the managers have been with the fund, the expense ratio of the fund, what stocks or bonds are held in the fund, the risk of those holdings and whether the fund has achieved its stated objectives over time. This process results in a list of approved funds.

After we develop this list of approved mutual funds and ETFs, we continue to monitor them to make sure that the funds remain suitable for our clients and their accounts. If a fund fails to meet

our standards, we research what has changed and why. Then we decide if the fund should be replaced as an approved investment for our clients.

For accounts where individual bonds are used for the fixed income portion of the account, we seek to build a high-quality bond portfolio with an intermediate term average life. An intermediate term is considered to be between 3 and 7 years. We purchase bonds in a competitive environment from multiple dealers. Capital preservation and current income generation are the primary objectives for each bond portfolio. The bond strategy we use is based on the following common components:

- We maintain an average maturity in each portfolio of between 3 and 7 years.
- Individual bond maturity dates are laddered. Laddering means using bonds whose maturity dates are distributed across multiple years. This reduces the volatility of the portfolio and eliminates the risk of missing opportunities in periods of rising interest rates. It also provides a way to periodically adjust the life of the portfolio without having to sell bonds.
- We keep the turnover of bonds low. This keeps the trading cost, which can significantly impact the total return of the portfolio, low. Unless there is some compelling reason (i.e. credit quality, client needs) we generally hold the bonds to maturity.
- We purchase high quality bonds.
- We diversify bond holdings by purchasing from different issuers (U.S. Government, U.S. Government Agencies, Corporations, States, Municipalities, essential services tax exempt authorities, etc...).

Once a client's portfolio is in place, it is continuously monitored for credit quality, call features, reinvestment of bond maturities, and specific client needs.

Risk of Loss - It is important to realize that any investment has a risk of loss over short or even long periods of time. This is true for both stock and bond investments.

The material risks related to stock investments held in client accounts are:

- Stock Market Risk – The chance that stock prices overall will decline, and the chance that the price of an individual stock may decline even during a period when the stock market as a whole is increasing in value. Prices of stocks move up and down based on various reasons associated both with the issuer and with external economic and geo-political events. These reasons and events may, or may not be, anticipated.
- Investment Style Risk – The chance that returns from a class of stock investment (large capitalization, mid capitalization, small capitalization, or international) may be less than the overall stock market. Certain classes of stock have historically been more volatile in price than others.
- Manager Risk – The chance that poor security selection in a client account will cause the

account to underperform relative to benchmarks or objectives associated with the account.

Bond (fixed income) investments also have certain material risks:

- Interest Rate Risk – The chance that prices of bond investments will decline due to rising interest rates (bond prices generally move in the opposite direction of interest rates).
- Income Risk – The chance that income from bond investments will decline because of falling interest rates.
- Credit Risk – The chance that a bond issuer will fail to meet its payment obligations for interest and/or principal in a timely manner or that market perceptions of the issuer's ability to make its payments will cause a decline in the price of the bond.
- Call Risk – The chance that an issuer may call (repay) a bond before maturity during a period of falling interest rates causing the client to lose potential price appreciation of the bond and forcing the proceeds to have to be reinvested at lower interest rates.

In addition to the material risks outlined above, the investment of client assets in mutual funds and ETFs may expose the client to other risks specific to the particular investment strategy used by that fund. Clients will be provided with prospectus documents for each fund investment utilized in their accounts. Clients should read the prospectus for additional information regarding risks that are associated with that particular investment.

Most investments used in client accounts are not bank deposits and are not insured or guaranteed by the Federal Deposit Insurance Corporation or any other government agency, entity or person.

ITEM 9 – Disciplinary Information

We are required to disclose all material facts regarding any legal or disciplinary events that would be material to a potential client's evaluation of our firm or the integrity of our management. We have no information applicable to this Item.

ITEM 10 – Other Financial Industry Activities and Affiliates

We are actively engaged in a business activity other than providing investment or financial advice; we provide bookkeeping and check writing services to certain clients. However, the principal business of our firm is providing investment advice to clients. We are not registered as a broker-dealer and have no industry affiliates.

ITEM 11 – Code of Ethics

We have adopted a Code of Ethics for all supervised persons of the firm, which includes all

officers, shareholders and other employees, describing our high standard of business conduct, and fiduciary duty to our clients. The Code of Ethics includes provisions relating to the confidentiality of client information, a prohibition on insider trading, restrictions on the acceptance of significant gifts and the reporting of certain gifts and business entertainment items, and personal securities trading procedures, among other things. All supervised persons at our firm must acknowledge the terms of the Code of Ethics annually.

The Code of Ethics governs each of our employees' personal securities transactions and the transactions of their immediate family members. Our Code of Ethics is available to clients upon request by contacting Katie McGinley at 251-471-2027. This Code of Ethics governs any and all securities transactions that such employees (or their immediate family members) may enter into, from time to time, in their own accounts. However, neither our firm nor our employees may execute a transaction that in any manner would take advantage of an activity occurring in clients' accounts. Further, principals and employees are required to report all individual securities transactions for themselves and for their immediate family members. We anticipate that, in appropriate circumstances, consistent with our clients' investment objectives, we will purchase or sell securities in accounts over which we have management authority and which securities we and/or our clients directly or indirectly have a position of interest. Our employees and persons associated with our firm are required to follow our Code of Ethics. Subject to satisfying this policy and applicable laws, our officers, directors and employees may trade for their own accounts in securities which are recommended to and/or purchased for our clients. The Code of Ethics is designed to assure that the personal securities transactions, activities and interests of our employees will not interfere with (i) making decisions in the best interest of advisory clients and (ii) implementing such decisions while, at the same time, allowing employees to invest for their own accounts. Under the Code certain classes of securities have been designated as exempt transactions, based upon a determination that these would materially not interfere with the best interests of our clients. In addition, the Code requires pre-clearance of many transactions and restricts trading in close proximity to client trading activity. Nonetheless, because the Code of Ethics in some circumstances would permit employees to invest in the same securities as clients, there is a possibility that employees might benefit from market activity by a client in a security held by an employee. Employee trading is continually monitored under the Code of Ethics to reasonably prevent conflicts of interest between us and our clients.

The interests of our client accounts are at all times placed ahead of our own accounts, the accounts of our employees and those of our immediate families. All personal securities transactions are conducted in such a manner as to avoid any actual or potential conflict of interest or any abuse of an employee's position of trust and responsibility. Employees are prohibited from taking inappropriate advantage of their positions.

It is our policy that the firm will not effect any principal or agency cross securities transactions for client accounts. We also will not cross trades between client accounts. Principal transactions are generally defined as transactions where an adviser, acting as principal for its own account or the account of an affiliated broker-dealer, buys from or sells any security to any advisory client.

An agency cross transaction is defined as a transaction where a person acts as an investment adviser in relation to a transaction in which the investment adviser, or any person controlled by or under common control with the investment adviser, acts as broker for both the advisory client and for another person on the other side of the transaction. We will provide a copy of our Code of Ethics to any client or prospective client upon request.

ITEM 12 – Brokerage Practices

How We Select Brokers - Brokerage is an asset of the client. Our firm may recommend, but not require, the use of certain broker-dealers. We seek to recommend brokers who will custody client assets and execute transactions on terms that are, overall, most advantageous when compared to other available providers and their services. We consider a wide range of factors, including, among others:

- Combination of transaction execution services and asset custody services (generally without a separate fee for custody)
- Capability to execute, clear and settle trades (buy and sell securities for client accounts)
- Capability to facilitate transfers and payments to and from accounts (wire transfers and payments to and from accounts (wire transfers, check requests, bill payment, etc.)
- Breadth of available investment products (stocks, bonds, mutual funds, exchange-traded funds [ETFs], etc.)
- Quality of services
- Competitiveness of the price of those services (commission rates, margin interest rates, other fees, etc.) and willingness to negotiate the prices
- Reputation, financial strength and stability
- Prior service to us and our clients
- Availability of other products and services that benefit us and our clients, as discussed below (see "Products and Services Available to Us")

We maintain an Approved Broker-Dealer List based upon our evaluations, monitoring and reviews of the characteristics of potential brokerage providers.

Research and Other Soft Dollar Benefits - A soft dollar arrangement provides for an investment advisory firm to receive benefits such as research and other services in exchange for directing brokerage for client accounts to that particular broker-dealer. In such a soft dollar arrangement, the client may or may not benefit from the services or research received by an investment adviser and the quality and cost of the directed brokerage may or may not be the best available to the client. Our firm does not enter into soft dollar arrangements with broker-dealers. Further, our firm does not have a soft dollar contract with Schwab Advisor Services or any other broker and/or custodian.

Brokerage for Client Referrals - Our firm does not consider whether we receive client referrals from a broker-dealer or third party as part of our recommendation or use of a broker-dealer.

Directed Brokerage - As a firm on our Approved Broker-Dealer List, we may recommend that clients establish brokerage accounts with Schwab Adviser Services™ (formerly Schwab Institutional®), a division of Charles Schwab & Co., Inc. (Schwab). Schwab is a FINRA – registered broker-dealer and member SIPC. This allows Schwab to maintain custody of client assets and to effect trades for their accounts.

We do not maintain custody of client assets that we manage or on which we advise, although we may be deemed to have custody of client assets when our clients give us authority to withdraw our fees from their account (see Item 15 – Custody, below). Client assets must be maintained in an account at a "qualified custodian," generally a broker-dealer or bank. We may recommend that our clients use Schwab as their qualified custodian. Our firm is independently owned and operated and not affiliated with Schwab. Schwab or another qualified custodian holds our clients' assets in a brokerage account and buys and sells securities when we or our clients instruct them to. While we generally recommend that our clients use Schwab as custodian, our clients decide whether to do so, and our clients open their custodial accounts with their custodian of choice by entering into an account agreement directly with them. We do not open the account for our clients, although we may assist them in doing so. Even if a client account is maintained at Schwab, we can still use other brokers to execute trades for that account as described below (see "Brokerage and Custody Costs").

Brokerage and Custody Costs – For our clients' accounts for which Schwab provides custody services, Schwab generally does not charge them separately for these services but is compensated by charging commissions or other fees on trades that it executes or that settle into each Schwab account. This custodial arrangement benefits our clients because the overall commission rates paid are generally lower than they would be otherwise. In addition to commissions, Schwab charges our clients a flat dollar amount as a "prime broker" or "trade away" fee for each trade that we have executed by a different broker-dealer but where the securities bought or the funds from the securities sold are deposited (settled) into that client's account. These fees are in addition to the commissions or other compensation our clients pay the executing broker-dealer. In order to minimize trading costs, we have Schwab execute most trades for our client accounts. We have determined that having Schwab execute these trades is consistent with our duty to seek "best execution" of client trades. Best execution means achieving the most favorable terms for a transaction based on all relevant factors, including those listed above (see "How We Select Brokers").

Products and Services Available to Us From Schwab – Schwab Advisor Services™ (formerly called Schwab Institutional®) is Schwab's business serving independent investment advisory firms like ours. They provide us and our clients with access to their institutional brokerage-trading, custody, reporting, and related services – many of which are not typically available to Schwab retail customers. Schwab also makes available various support services. Some of those services help us manage or administer our clients' accounts, while others help us manage and grow our business. Schwab's support services generally are available on an unsolicited basis

(we don't have to request them) and at no charge to us as long as our clients collectively maintain a total of at least $10 million of their assets in accounts at Schwab. If our clients ever collectively have less than $10 million in assets at Schwab, Schwab may charge us quarterly service fees of $1,200. Following is a more detailed description of Schwab's support services:

Services That Benefit Our Clients – Schwab's institutional brokerage services include access to a broad range of investment products, execution of securities transactions, and custody of client assets. The investment products available through Schwab include some to which we might not otherwise have access or that would require a significantly higher minimum initial investment by our clients. Schwab's services described in this paragraph generally benefit our clients and their accounts.

Services That May Not Directly Benefit Our Clients – Schwab also makes available to us other products and services that benefit us but may not directly benefit our clients or their accounts. These products and services assist us in managing and administering our clients' accounts. They include investment research, both Schwab's own and that of third parties. We may use this research to service all or a substantial number of our clients' accounts, including accounts not maintained at Schwab. In addition to investment research, Schwab also makes available software and other technology that:

- Provide access to client account data (such as duplicate trade confirmation and account statements)
- Facilitate trade execution and allocate aggregated trade orders for multiple client accounts
- Provide pricing and other market data
- Facilitate payment of our fees from our clients' accounts
- Assist with back-office functions, recordkeeping, and client reporting

Services That Generally Benefit Only Us – Schwab also offers other services intended to help us manage and further develop our business enterprise. These services may include:

- Educational conferences and events (such as webinars)
- Consulting on technology, compliance, legal and business needs
- Publications and conferences on practice management, compliance, and business succession

Schwab may provide some of these services itself. In other cases, it will arrange for third-party vendors to provide the services to us. Schwab may also discount or waive its fees for some of these services or pay all or a part of a third party's fees. We may or may not avail ourselves of the services described in the preceding three sections. However, they are all made available to us from Schwab as a result of our clients' custodial relationships with Schwab.

Our Interest in Schwab's Services – The availability of these services from Schwab benefits us, because we do not have to produce or purchase them. We don't have to pay for Schwab's

services so long as our clients collectively keep a total of at least $10 million of their assets in accounts at Schwab. Beyond that, these services are not contingent upon our committing any specific amount of business to Schwab in trading commissions or assets in custody. The $10 million minimum may give us an incentive to recommend that our clients maintain an account with Schwab, based on our interest in receiving Schwab's services that benefit our business rather than based on our clients' interests in receiving the best value in custody services and the most favorable execution of their transactions. This is a potential conflict of interest. We believe, however, that our recommendation of Schwab as custodian and broker is in the best interests of our clients. Our selection is primarily supported by the scope, quality, and price of Schwab's services (see "How We Select Brokers") and not Schwab's services that benefit only us. We have over $2,657,582,515 in regulatory assets under management, collectively, as of December 31, 2025, and we do not believe that recommending our clients to collectively maintain at least $10 million of those assets at Schwab in order to avoid paying Schwab quarterly service fees presents a material conflict of interest.

Clients should be aware that our receipt of such services or benefits from Schwab creates a conflict of interest since these services and benefits may influence our choice of broker-dealer over another broker-dealer that does not furnish similar services and benefits.

Client Directed Brokerage - Clients of our firm may direct us to use a particular broker-dealer under various circumstances, including where a client has a pre-existing relationship with the broker, among other situations. In these situations the client is expected to negotiate the commission rate and scale. Clients should recognize, however, that they likely will pay a higher brokerage commission and that they may receive less favorable execution of trades than might be possible otherwise. In these directed accounts, it is unlikely that the client will benefit from volume discounts available to other clients. The firm maintains written directions from each client directing brokerage in this manner.

Trade Aggregation – In situations that we deem to be advantageous to the client, our firm may aggregate the purchase or sale of securities for client accounts. Each account that participates in an aggregated order will participate at the average share price for all transactions, and all transaction costs will be shared on a pro-rata basis. We will prepare, before entering an aggregated order for equity (stocks) securities, a written Allocation Statement detailing how the order will be allocated among the various accounts. If the aggregated order is filled in its entirety, it shall be allocated among the client accounts as described in the Allocation Statement. If the order is only partially filled, it shall be allocated on a pro-rata basis for the clients listed on the Allocation Statement. An Allocation Statement is not required for fixed income trades. Fixed Income trades are submitted exclusively on an "all or none" basis. This means that partial fills of allocations are not possible.

However, if certain conditions are met, it is possible that client orders may be allocated on a basis different than that which is specified in the Allocation Statement. First, all accounts of clients whose orders are allocated must receive fair and equitable treatment. Further, the reason

for such different allocation must be explained in writing and must be approved in writing by our firm's compliance officer no later than one hour after the opening of the market on the trading day following the day on which the order is executed.

ITEM 13 – Review of Accounts

All accounts under management are reviewed twice each year as a standard procedure. Major asset classes are reviewed to make certain they are within their percentage allocation targets according to client objectives. Also, each security and fund held in the account is reviewed to determine whether it should continue to be held in the portfolio, whether it should be eliminated or whether its position should be reduced or increased. In taxable accounts, capital gains and losses are monitored to determine if changes can be made in the portfolio to minimize capital gains taxes.

Other factors will trigger an account review. They include a change in the client's investment objectives; contributions or unscheduled withdrawals of capital; the call or maturity of a bond; and an investment policy decision to eliminate, reduce or increase a particular security or fund in portfolios under the firm's management.

Doug McLeod (President and Managing Director), Kyle Pugh (Vice President/Secretary/Treasurer and Managing Director), Bragg Van Antwerp (Vice President and Managing Director), Katie McGinley (Chief Compliance Officer and Investment Counselor), Alex Arendall (Vice President and Investment Counselor), Michael Barnett (Vice President and Investment Counselor), Thomas Iturbe (Investment Counselor) and Rick Mitchell (Founder) are the firm's only reviewers. Reviewers do not receive any specific instructions for their reviews; they are guided by the client's investment objectives, the firm's security selection process, tax considerations, and by the firm's overall investment philosophy.

Each account has two reviewers assigned to it with one having primary responsibility for account reviews.

As soon as reasonable feasible, after the end of the calendar quarter, the record owner of each account is sent an electronic copy (via their Orion portal) or a paper copy, via U.S. Mail, a written quarterly report consisting of:

1. a summary of the adjusted cost basis and current market value of all asset classes showing the percentage allocation to each and the estimated annual income for each class;
2. an appraisal showing the adjusted cost basis, current market value and current income yield of each security;
3. a summary of all purchases and sales made during the previous quarter;
4. a report summarizing investment performance for the entire account and for each asset class for the month, quarter, year-to-date and 12 months ended as of the end of the

quarter, and since the inception of the account on an annualized basis; also included are the returns of various indices for relative performance evaluations.

As soon as reasonably feasible, after the end of the calendar year, the account owner also will be sent via U.S. mail a summary of income and expenses and a summary of capital gains and losses for the year.

These reports contain language urging the firm's clients to review the reports carefully and to compare them to the reports of the broker, bank or other qualified custodian that holds each client's assets (see Item 15 – Custody).

Item 14 – Client Referrals and Other Compensation

We do not directly or indirectly compensate anyone for client referrals. We receive an economic benefit from Schwab in the form of the support products and services it makes available to us and other independent investment advisers whose clients maintain their accounts at Schwab. These products and services, how they benefit us, and the related conflicts of interest are described above (see Item 12 – Brokerage Practices). The availability to us of Schwab's products and services is not based on our giving particular investment advice, such as buying particular securities for our clients' accounts.

Item 15 – Custody

A client's assets must be maintained in an account at a "qualified custodian," generally a brokerage or bank. Clients should receive at least quarterly statements from their broker dealer, bank or other qualified custodian that holds and maintains the client's investment assets. We urge our clients to carefully review such statements and compare such official custodial records to the account statements that we provide to them. Our statements may vary from custodial statements based on accounting procedures, reporting dates, or valuation methodologies of certain securities.

We are deemed to have custody of client assets due to the fact that we have many clients who have authorized their custodians to directly debit our investment advisory fees from their custodial accounts in accordance with our advisory contract. All of our clients' assets are held at a qualified custodian with whom each client has a direct relationship.

We have custody of assets in two accounts. The assets in those accounts are held at a qualified custodian. The assets in those custody accounts are subject to an annual surprise audit by an independent public accountant. Any fees associated with such audit are passed on to the client per an agreement with the client.

Item 16 – Investment Discretion

For some accounts, at the outset of an advisory relationship, we accept discretionary authority on behalf of our clients to select the identity and amount of securities to be bought or sold. In all cases, however, such discretion is to be exercised in a manner consistent with the stated investment objectives for the particular client account. We obtain a limited power of attorney from any client for whom we accept discretionary authority.

When selecting securities and determining amounts, we observe the investment policies, limitations and restrictions of our clients. To the extent that a client has specific investment guidelines and restrictions, they must be provided to us in writing.

Item 17 – Voting Client Securities

Clients may obtain a copy of our complete proxy voting policies and procedures upon request. Clients may also obtain information from us about how we voted any proxies on behalf of their account.

We will accept from our clients the authority to vote client securities. In doing so, we have a fiduciary responsibility to vote proxies, where directed by the client, in a manner which best serves the ownership interest of the shareholder. We normally vote in support of company management in an effort to maximize the value of client portfolios relative to the appropriate risk controls and to the agreed upon objectives for the accounts. We vote against proposals which we believe will impact negatively the value of our clients' ownership of the company's stock. Further, it is our policy to vote against proposals which appear overly complex or which are presented in such a manner that the shareholder's best interest is not readily attainable.

If a client wishes to direct the voting of a proxy, he or she may do so by providing us with written instructions as to the vote to be placed, and a description of their affected holdings.

We occasionally may be subject to conflicts of interest in the voting of proxies due to business or personal relationships which we maintain with persons and/or companies having an interest in the outcome of certain votes. If, at anytime, any employee becomes aware of any potential or actual conflict of interest relating to a particular proxy proposal, he/she shall promptly report such conflict to the senior portfolio manager or to the compliance officer. Conflicts of interest will be handled in various ways depending upon the type and materiality. For example, potential conflicts which are considered to be a "routine proposal" (as defined in the firm's Proxy Policy) will usually be voted "for" management's position. If, however, conflicts which are deemed to be "non-routine" (as defined in the firm's Proxy Policy) will be evaluated on a case-by-case basis and if a conflict is determined to exist, the matter will be submitted to the client and the proxy will be voted pursuant to the direction of the client.

Item 18 – Financial Information

As a registered investment adviser, we are required in this item to provide certain financial information or disclosures about our financial condition. We have no financial commitment that impairs our ability to meet contractual and fiduciary commitments to our clients, and we have not been the subject of any bankruptcy proceeding.