

Item 1 - Cover Page

Brochure

Form ADV Part 2A

Inflection Capital Management, LLC

CRD# 333157

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This brochure provides information about the qualifications and business practices of Inflection Capital Management, LLC (collectively herein referred to as “Inflection,” “ICM,” or “firm”). If you have any questions about the contents of this brochure, please contact our Chief Compliance Officer at (513) 693-4886 or phayes@calfee.com. The information in this brochure has not been approved or verified by the United States Securities and Exchange Commission or by any state authority.

ICM is an investment advisory firm registered with the appropriate regulatory authority. Registration does not imply a certain level of skill or training. Additional information about ICM is also available on the SEC’s website at www.AdviserInfo.sec.gov.

Item 2 - Material Changes

This Brochure, dated March 17, 2026, was prepared in accordance with the SEC requirements and contains the following material changes from the prior year's annual amendment filed on March 7, 2025

The firm updated language in **Item 4 – Advisory Business** to provide additional information around other business names under which the firm provides its advisory services.

The firm updated language in **Item 4 – Advisory Business** to include bill pay services.

The firm updated language in **Item 4 – Advisory Business and Item 8- Methods of Analysis, Investment Strategies and Risk of Loss** to provide information around the use of artificial intelligence.

The firm updated language in **Item 4 – Advisory Business and Item 5- Fees and Compensation** to provide additional information around Manager(s) fees.

The firm updated language in **Item 5- Fees and Compensation, Item 8- Methods of Analysis, Investment Strategies and Risk of Loss** to provide additional information around use of margin in client accounts.

The firm updated language in **Item 10- Other Financial Industry Activities and Affiliations** to add TOC-23 ERA as an affiliated exempt reporting adviser that provides advisory services to private funds.

The firm updated language in **Item 10- Other Financial Industry Activities and Affiliations** to update potential conflict of interest relating to vendor providing bill pay service.

The firm updated language in **Item 12- Brokerage Practices an Item 14- Client Referrals and Other Compensation** to update custodian information.

The firm updated language in **Item 14 - Client Referrals and Other Compensation** to provide information on the use of solicitors and update custodian related information.

The firm updated language in **Item 15 - Custody** to provide information on the types of custody the firm has in connection with its advisory services to clients.

You may also obtain a copy of our Brochure by contacting the firm by phone at (415) 450-6556.

Additional information about Inflection Capital Management, LLC is also available on the SEC's website at www.AdviserInfo.sec.gov.

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Item 4 - Advisory Business

General Information

Founded in 2024, Inflection Capital Management, LLC (hereinafter referred to as “Inflection”, “ICM” or “firm” and also doing business as The Oglethorpe Collective, LLC (“TOC-23”)) will provide institutional quality asset management for families and family offices. This is comprehensive and wholistically viewed by reviewing the financial strategy in addition to their family dynamics. The principal owner of ICM is Justin Kunz.

At the outset of each client relationship, ICM spends considerable time with the client, asking questions, and discussing among many things, the client’s current financial circumstances, intentions for the future, family member involvement, seeking to understand the overall family structure, their goals and intentions.

As described above, at the beginning of a client relationship, ICM meets with the client and conducts an assessment which includes but is not limited to, current circumstances, information relating to their balance sheet, investment preferences, risk tolerance, liquidity/cash flow needs, tax status, impact desires, upcoming changes, investment goals and overall investment experience. This output helps produce a comprehensive financial plan which will in turn lead to an investment strategy. This analysis leads to the drafting of an investment policy statement (“IPS”). The IPS will capture the client’s information, their goals, risk tolerance, any constraints or obstacles, and define how Inflection will measure success. It is an evolving document, frequently consulted and updated as necessary.

With a solid understanding in place, ICM will begin to implement the IPS. This will involve defining the purpose of the account, develop the investment strategy, and identify the specific asset allocation goals.

ICM will manage the client’s investment portfolio on a discretionary or a non-discretionary basis. As a discretionary investment advisor, ICM will have the authority to supervise and direct trades in the portfolio as agreed but without specific consultation with the client. We also offer non-discretionary services for situations where the client has pre-existing assets, investments that fall outside our research and due diligence, or if the client has a stated preference for a non-discretionary engagement. Under a non-discretionary arrangement, clients must be contacted prior to the execution of any trade in the account(s) under management. This may result in a delay in executing recommended trades, which could adversely affect the performance of the portfolio. This delay also normally means the affected account(s) will not be able to participate in block trades, a practice designed to enhance the execution quality, timing and/or cost for all accounts included in the block. In a non-discretionary arrangement, the client retains the responsibility for the final decision on all actions taken with respect to the portfolio.

Notwithstanding the foregoing, clients will have the opportunity to impose certain written restrictions on ICM in the management of their investment portfolios, such as prohibiting the inclusion of certain types of investments in an investment portfolio or prohibiting the sale of certain investments held in the account at the commencement of the relationship. Each client should note, however, that certain restrictions imposed by a client will adversely affect the composition and performance of the client’s investment portfolio. Each client should also note

that his or her investment portfolio is treated individually by giving consideration to each purchase or sale for the client's account. For these and other reasons, performance of certain client investment portfolios within the same investment objectives, goals and/or risk tolerance will differ and clients should not expect that the composition or performance of their investment portfolios would necessarily be consistent with similar clients of ICM.

Third Party Managers

While serving as the primary investment advisor for a client, ICM will utilize its managers' research and due diligence capabilities to choose other investment specialists (each a "Manager") to direct the investments of various portions of the overall investment portfolio as appropriate. Having access to various Managers offers a wide variety of manager styles, skills, and differentiated areas of expertise leading to increased diversification and stronger risk management. Managing within the parameters of the client's IPS, ICM will select or recommend the Manager(s) it deems most appropriate for the client. Factors that ICM considers in recommending/selecting Managers generally includes but is not limited to the client's stated investment objective(s), management style, performance, risk level, area of skill, financial strength, and pricing. The selected Manager(s) will generally be granted discretionary trading authority for the relevant portions of the client's portfolio. ICM retains the authority to terminate the Manager's relationship or to add new Managers without specific client consent. Select Managers(s) used by ICM will charge fees in advance, paid directly out of the assets of Client's account. These fees are separate and apart from the billing done by ICM which is in arrears.

In any case, with respect to assets managed by a Manager, ICM's role will be to monitor the overall financial situation of the client, to monitor the investment approach and performance of the Manager(s), to make changes or rebalance, and to assist the client in understanding the investments of the portfolio.

ICM will periodically review reports provided to the clients by the Manager. ICM will contact the client periodically, as agreed to with the clients, to review the client's financial situation and objectives; communicate information to the Manager managing the account as warranted; and assist the clients in understanding and evaluating the services provided by the Manager. Clients will be expected to notify ICM of any changes in their financial situation, investment objectives, or account restrictions.

A complete description of the programs and services available through the Manager will be provided to the client upon receipt and review of the applicable Manager's Form ADV Part 2A and 2B and/or equivalent brochures, investment advisory contracts, and account opening documents.

As of December 31, 2025, ICM had \$1,469,078,525 of assets under advisement and \$365,605,247 of discretionary and non-discretionary assets under management.

Client Communications and Delivery of Documents

Where appropriate, ICM may combine the mailing of client statements and other client correspondence and information for accounts that have a common address (householding). Client may revoke client's consent at any time by contacting ICM in writing.

In addition, from time to time, ICM may be required to deliver certain documents to the client, to the extent that client has email capability and/or web access, hereby consents to the ICM's use of electronic means, such as email, to make delivery of required and other documents. This delivery may include notification of the availability of such document(s) on a website, and client agrees that

such notification will constitute “delivery.” In conjunction with the investment advisory agreement, the client agrees to provide ICM with the client’s email address and to keep this information current at all times by promptly notifying ICM of any change in email address.

Agreements may not be assigned without written client consent.

Wrap Fee Program(s)

Our firm does not participate in any wrap fee programs.

Use of Artificial Intelligence

ICM allows the use of notetaking tools, which are tools that allow Financial Advisors to transcribe and summarize meetings they host. These tools utilize artificial intelligence (“AI”) to generate meeting transcripts that cover the topics discussed in the meeting. Clients are presented with a disclaimer to opt into the use of the AI software at the start of the meeting. The meeting transcripts using AI are considered books and records of ICM and are maintained accordingly. Additional details about how the firm utilizes AI can be found in ***Item 8 – Methods of Analysis, Investment Strategies and Risk of Loss.***

Item 5 - Fees and Compensation

General Fee Information

Fees paid to ICM are exclusive of all custodial and transaction costs paid to the client’s custodian, brokers or other third-party consultants. Please see ***Item 12 – Brokerage Practices*** for additional information. Fees paid to ICM are also separate and distinct from the fees and expenses charged by mutual funds, ETFs (exchange traded funds) or other investment pools to their shareholders (generally including a management fee and fund expenses, as described in each fund’s prospectus or offering materials). Select Manager(s) used by ICM will charge fees in advance, paid directly out of the assets of Client’s account. These fees are separate and apart from the billing done by ICM which is in arrears. Inflection can assist the client in understanding the full scope of fees charged by any employed funds, strategies, or managers, in addition to those of Inflection, to fully understand the total amount of fees paid by the client for investment and financial-related services.

Fees are tailored individually by client need, negotiated and agreed upon at the beginning of the relationship. Governed under our investment management agreement, fees are generally charged based on a percentage of the value of the discretionary assets under management (“AUM”). The maximum fee will be 1.25%. Investment advisory fees based on assets under management are billed on a pro-rata, annualized basis, monthly or quarterly in arrears, based on the average daily balance of the client portfolio for the quarter. For non-discretionary engagements, there will typically be a separate fee which is negotiated between ICM and the client based on the non-discretionary services provided.

At Client’s request, margin will be used in their account(s). In such cases, the Advisory Fee shall be calculated on the gross market value of all of Client’s assets under management in Client’s Accounts. The gross market value includes the total market value of all securities and other assets, without any deduction for liabilities, including any outstanding margin loan balances, debit balances, or any other indebtedness. Client understands that by billing on the gross market value of the account, the advisory fees will increase as the client increases their margin loan, even if the net equity in the account declines. The client accepts full responsibility for understanding and managing the risks of

trading with margin and agrees to be bound by the terms and conditions of the custodian's margin application agreement.

Clients will have the option of automatically deducting ICM's fees from their accounts or paying directly via a means agreed upon in advance.

Either ICM or the client may terminate their Investment Management Agreement at any time, subject to any written notice requirements in the agreement. In the event of termination, any pro-rated fees due to ICM from the client will be invoiced or deducted from the client's account prior to termination.

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

ICM does not have any performance-based fee arrangements. "Side by Side Management" refers to a situation in which the same firm manages accounts that are billed based on a percentage of assets under management and at the same time manages other accounts for which fees are assessed on a performance fee basis. Because ICM has no performance-based fee accounts, it has no side-by-side management.

Item 7 - Types of Clients

ICM will serve family offices, individuals or families, endowments and charitable foundations, trusts and businesses. ICM does not generally impose a minimum portfolio value or a minimum annual fee for its services although the average client will have a minimum net worth of \$25,000,000 (subject to exceptions being made at the discretion of the management teams).

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

Methods of Analysis

In accordance with the IPS, ICM will design and implement the overall investment strategy for the client investment portfolio. This may involve the use of equities, mutual funds, hedge funds, ETFs, commodities, bonds, municipal fund securities, debentures, traded REITS, notes, subscriptions, warrants, currency, cryptocurrency, private investments, special purpose vehicles, options and other derivatives, separately managed accounts ("SMAs") and direct private placements. Managers are evaluated during due diligence process and to the degree we deem reasonable. Criteria considered when evaluating Managers will consist, but not limited to, performance, attribution, reputation, fees, after tax performance and account minimums. From time to time, outside consultants could play a role in evaluating managers or offering insights.

We utilize fundamental and technical analysis from a variety of third- party providers in addition to our own internal analysis. Much of our analysis also revolves around risk management, understanding various known market and portfolio risks and helping the client to understand the types of risks they might be comfortable with and the types of known risks they might want to consider avoiding.

Investment Strategies:

ICM's strategic approach is to invest each portfolio in accordance with the IPS that has been developed specifically for each client. This means that the following strategies may be used in varying

combinations over time for a given client, depending upon the client's individual circumstances and the Manager(s) selected.

Long Term Purchases – securities purchased with the expectation that the value of those securities will grow over a relatively long period of time, generally greater than one year.

Short Term Purchases – securities purchased with the expectation that they will be sold within a relatively short period of time, generally less than one year, to take advantage of the securities' short term price fluctuations.

Margin Transactions – a securities transaction in which an investor borrows money to purchase a security, in which case the security serves as collateral on the loan.

Options Trading/Writing: a securities transaction that involves buying or selling (writing) an option. If you write an option, and the buyer exercises the option, you are obligated to purchase or deliver a specified number of shares at a specified price at the exercise of the option regardless of the market value of the security at expiration of the option. Buying an option gives you the right to purchase or sell a specified number of shares at a specified price until the date of expiration of the option regardless of the market value of the security at expiration of the option.

Risk of Loss

While ICM seeks to diversify clients' investment portfolios across various asset classes consistent with their IPS in an effort to reduce risk of loss, all investment portfolios are subject to risks. Accordingly, there can be no assurance that client investment portfolios will be able to fully meet their investment objectives and goals, or that investments will not lose money.

Below is a description of several of the principal risks that client investment portfolios face.

Management Risks. While ICM recommends one or more Managers based on our experience, research and proprietary methods, the value of client investment portfolios will change daily based on the performance of the underlying securities in which they are invested. Accordingly, client investment portfolios are subject to the risk that a Manager allocates client assets to individual securities and/or asset classes that are adversely affected by unanticipated market movements, and the risk that ICM's specific investment choices could underperform their relevant indexes.

Risks of Investments in Mutual Funds, ETFs and Other Investment Pools. As described above, a Manager may invest client portfolios in mutual funds, ETFs, and other investment pools ("pooled investment funds"). Investments in pooled investment funds are generally less risky than investing in individual securities because of their diversified portfolios; however, these investments are still subject to risks associated with the markets in which they invest. In addition, pooled investment funds' success will be related to the skills of their managers and their performance in managing their funds. Pooled investment funds are also subject to risks due to regulatory restrictions applicable to registered investment companies under the Investment Company Act of 1940.

Risks Related to Private Investments and Alternative Investment Vehicles. ICM may allocate and invest a portion of a client's portfolio in alternative vehicles, such as those found in private capital, private debt, private real estate, and those operating as hedge funds. The value of client portfolios will be

based in part on the value of these alternative investment assets, the success of each will depend heavily upon the efforts of their respective Managers. When a Manager makes unsuccessful investment decisions, the alternative investment vehicles managed by the Manager may decline in value. A client account may lose a substantial percentage of its value if the investment results of many or most of the alternative investment vehicles in which it is invested are performing poorly at the same time, or many or most of the Managers make unsuccessful investment decisions at the same time.

Equity Market Risks. Manager(s) will generally invest portions of client assets directly into equity investments, primarily stocks, or into pooled investment funds that invest in the stock market. As noted above, while pooled investments have diversified portfolios that may make them less risky than investments in individual securities, funds that invest in stocks and other equity securities are nevertheless subject to the risks of the stock market. These risks include, without limitation, the risks that stock values will decline due to daily fluctuations in the markets, and that stock values will decline over longer periods (e.g., bear markets) due to general market declines in the stock prices for all companies, regardless of any individual security's prospects.

Fixed Income Risks. Manager(s) may invest portions of client assets directly into fixed income instruments, such as bonds and notes, or may invest in pooled investment funds that invest in bonds and notes. While investing in fixed income instruments, either directly or through pooled investment funds, is generally less volatile than investing in stock (equity) markets, fixed income investments nevertheless are subject to risks. These risks include, without limitation, interest rate risks (risks that changes in interest rates will devalue the investments), credit risks (risks of default by borrowers), or maturity risk (risks that bonds or notes will change value from the time of issuance to maturity).

Foreign Securities Risks. Manager(s) may invest portions of client assets into pooled investment funds that invest internationally. While foreign investments are important to the diversification of client investment portfolios, they carry risks that may be different from U.S. investments. For example, foreign investments may not be subject to uniform audit, financial reporting or disclosure standards, practices or requirements comparable to those found in the U.S. Foreign investments are also subject to foreign withholding taxes and the risk of adverse changes in investment or exchange control regulations. Finally, foreign investments may involve currency risk, which is the risk that the value of the foreign security will decrease due to changes in the relative value of the U.S. dollar and the security's underlying foreign currency.

Margin Risk. ICM typically does not use margin as an investment strategy, though exceptions may occur in select circumstances. However, clients may elect to borrow funds against their investment portfolio. When securities are purchased, they may be paid for in full or the client may borrow part of the purchase price from the account custodian. If a client borrows part of the purchase price, the client is engaging in margin transactions and there is risk involved with this. The securities held in a margin account are collateral for the custodian that loaned the client money. If those securities decline in value, then the value of the collateral supporting the client's loan also declines. As a result, the brokerage firm is required to take action in order to maintain the necessary level of equity in the client's account. The brokerage firm may issue a margin call and/or sell other assets in the client's account to accomplish this. It is important that clients fully understand the risks involved in trading securities on margin, including but not limited to:

- It is possible to lose more funds than is deposited into a margin account
- The account custodian can force the sale of assets in the account
- The account custodian can sell assets in the account without contacting the client first
- The account holder is not entitled to choose which assets in a margin account may be sold to meet a margin call; The account custodian can increase its “house” maintenance margin requirements at any time without advance written notice
- The account holder is not entitled to an extension of time on a margin call

Derivatives Risk: A Manager may, for certain clients that qualify as “accredited investors” and for whom it is appropriate, invest portions of the client assets in derivative financial instruments (“derivatives”) including, without limitation, futures, options, interest rate swaps, forward currency contracts and credit derivatives such as credit default swaps. A small investment in derivatives could have a potentially large impact on an investor’s performance. The use of derivatives involves risks different from, or possibly greater than, the risks associated with investing directly in the underlying assets. These risks include: (1) counterparty risk; (2) interest rate risk; (3) basis risk; (4) settlement risk; (5) legal risk; (6) operational risk; and (7) market risk. Counterparty risk is the risk that one of the Fund’s counterparties might default on its obligation to pay or perform generally on its obligations. Interest rate risk is the general risk associated with movements in interest rates. Basis risk is the risk associated with the relative movements in two (related) rates or prices. Settlement risk is the risk that a settlement in a transfer system does not take place as expected. Legal risk is the risk that a transaction proves unenforceable in law or because it has been inadequately documented. Operational risk is the risk of unexpected losses arising from deficiencies in a firm’s management information, support and control systems and procedures. Market risk is the risk of potential adverse changes in the value of financial instruments resulting from changes in market prices, such as interest, commodity and currency rate movements. In addition, derivatives can be highly volatile, illiquid and difficult to value.

Options Risk. A small investment in options could have a potentially large impact on an investor’s performance. The use of options involves risks different from, or possibly greater than, the risks associated with investing directly in the underlying assets. Derivatives can be highly volatile, illiquid and difficult to value, and there is the risk that a hedging technique will fail if changes in the value of a derivative held by an investor does not offset the value of the securities being hedged.

Artificial Intelligence Risk. ICM uses artificial intelligence (“AI”) in our business operations to promote operational efficiency and augment our client service. Currently we do not utilize AI in our investment selection process or to formulate the specific investment advice we render to you. AI models are highly complex and may result in output that is incomplete or incorrect. Our use of AI includes certain third-party technologies aimed at enhancing operational efficiency by, but not limited to, automating meeting notes, assisting with client communications, identifying themes for use in marketing content, and summarizing and collecting data from internal documents. We believe the use of this technology allows us to reduce administrative time, prepare for client engagement, and improve the overall client experience. All AI generated outputs go through human review at ICM prior to dissemination or use. The use of AI poses risks related to the challenges ICM faces in properly managing its use. Content created by AI technologies may be deficient, inaccurate, or biased, and the use of AI tools may lead to errors in decision-making. Use of AI tools could also pose risks related to the protection of clients or proprietary information. Such risks may include the exposure of confidential information to unauthorized recipients, violation of data privacy rights, or other data leakage events. The use of AI may also expose us to litigation risk or regulatory risk. Due to the rapid advancement of machine learning technologies, future risks related to AI are unpredictable. The

regulatory environment relating to AI is rapidly evolving and could require changes in our adoption and implementation of AI technology in the future. We reduce these risks through human review and editing prior to use of an AI produced or enhanced document.

Item 9 - Disciplinary Information

Registered investment advisors are required to disclose all material facts regarding any legal or disciplinary events that would be material to a client's evaluation of ICM or the integrity of ICM's management. ICM does not have disciplinary events to report.

Item 10 - Other Financial Industry Activities and Affiliations

ICM recognizes its fiduciary duty to act in the best interest of its clients at all times. ICM recommends outside private investments to clients. ICM employees may also be invested in these private investments. TOC-23 ERA is an affiliated exempt reporting adviser that provides advisory services to private funds which are recommended to select ICM clients. This creates a conflict of interest in several ways. When an ICM employee is personally invested in a private investment, they may be more likely to recommend it to clients—even if it might not be the most suitable option for the client's specific financial situation—for reasons such as, for example, diluting fixed costs per investor, enhancing the assets under management for an affiliated entity, and growing available capital to enhance the range of investment opportunities available to the private investment.

Select firm personnel have made a direct investment resulting in minority ownership position in Eton Solutions ("Eton"), an ERP software product and services company. Eton Solutions does not provide financial advice nor sell any investment-related products, and is not a registered investment adviser. To add value to its own services, ICM intends to use Eton bill pay services at the client's request. This creates a potential conflict of interest, as ICM has an incentive to recommend the use of Eton products. ICM mitigates this conflict through disclosure and ongoing monitoring and supervision, and clients are under no obligation to use any services from Eton.

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

Code of Ethics and Personal Trading

ICM has adopted a Code of Ethics ("the Code"), the full text of which is available to you upon request. ICM's Code has several goals. First, the Code is designed to assist ICM in complying with applicable laws and regulations governing its investment advisory business. Under the Investment Advisers Act of 1940, ICM owes fiduciary duties to its clients. Pursuant to these fiduciary duties, the Code requires persons associated with ICM (managers, officers and employees) to act with honesty, good faith and fair dealing in working with clients. In addition, the Code prohibits such associated persons from trading or otherwise acting on insider information.

Next, the Code sets forth guidelines for professional standards for ICM's associated persons. Under the Code's General Policy, ICM expects its associated persons to put the interests of its clients first, ahead of personal interests. In this regard, ICM associated persons are not to take advantage of their positions in relation to ICM clients and avoid any actual or potential conflicts of interest.

Third, the Code sets forth policies and procedures to permit, monitor and review the personal trading activities of associated persons. On a limited basis, ICM's associated persons may invest in the same securities recommended to clients. Under its Code, ICM has adopted procedures designed to reduce or eliminate conflicts of interest that this could potentially cause. The Code's personal trading policies include procedures for limitations on personal securities transactions of associated persons, reporting and review of such trading and pre-clearance of certain types of personal trading activities. These policies are designed to encourage more alignment between clients and ICM associated persons. The Code also provides for disciplinary action as appropriate for violations.

Participation or Interest in Client Transactions

As outlined above, ICM has adopted procedures to protect client interests when its associated persons invest in the same securities as those selected for or recommended to clients. Consistent with the foregoing, ICM maintains policies regarding participation in initial public offerings ("IPOs") and private placements to comply with applicable laws and avoid conflicts with client transactions. If an ICM associated person wishes to participate in an IPO or invest in a private placement, he or she must submit a pre-clearance request and obtain the approval of the Chief Compliance Officer. Further, any investment into a private placement by a member of ICM will be disclosed to any client who is also considering, or being recommended, the same investment.

Item 12 - Brokerage Practices

We do not maintain physical custody of your assets that we manage, although we may be deemed to have custody of your assets if you give us authority to withdraw assets from your account (see **Item 15 - Custody**, below). Your assets must be maintained in an account at a "qualified custodian," generally a broker-dealer or bank. We typically have limited trading authority over client account(s). We may determine both the amount and the type of securities to be bought or sold. The client signs a limited power of attorney to allow us this trading authority (See **Item 4 - Advisory Business**).

Typically, ICM does not allow advisory clients to determine the broker-dealer to use. To work with us, clients will usually need to custody assets with the brokers we recommend—either National Financial Services LLC, and Fidelity Brokerage Services LLC (together with all affiliates, "Fidelity") or Charles Schwab & Co., Inc. ("Schwab"), both of which are not affiliated with ICM. Conflicts of interest associated with this arrangement are described below as well as in **Item 14- Client Referrals and Other Compensation**.

Although Fidelity and Schwab's commission rates are competitive within the securities industry, lower commissions or better execution may be able to be achieved elsewhere. ICM has considered the benefits offered to it through its relationship with Fidelity and Schwab in making a determination to use Fidelity or Schwab as the broker-dealers of choice.

Another aspect of using limited broker-dealers is the risk of financial failure of the broker-dealer. However, brokerage firms are required to follow certain rules that are designed to minimize the chances of financial failure and, more importantly, to protect customer assets if they do fail. Various regulatory agencies enforce those rules.

Best Execution

As stated above, ICM sometimes requires that its clients establish broker accounts with Fidelity or Schwab. Such accounts will be eligible so that if and when the need arises to effect securities

transactions from those accounts at broker-dealers ("executing brokers") other than Fidelity or Schwab, Fidelity or Schwab will accept delivery or deliver the applicable security from/to the executing brokers. A broker-dealer, such as Fidelity or Schwab, may charge a "trade away" fee which is charged against the client's account(s) for each "trade away" occurrence. Other custodians have their own policies concerning prime broker accounts and trade away fees.

If the client is receiving discretionary advisory services, ICM, pursuant to the terms of its management agreement with clients, will have discretionary authority to determine which securities are to be bought and sold and the price of such securities to affect such transactions. ICM recognizes that the analysis of execution quality involves a number of qualitative and quantitative factors. ICM will follow a process striving to ensure that it is seeking to obtain the most favorable execution under the prevailing circumstances when placing client orders. These factors include, but are not limited, to the following:

- The financial strength, reputation and stability of the broker-dealer;
- The efficiency with which the transaction is affected; the ability to effect prompt and reliable executions at favorable prices (including the applicable dealer spread or commission, if any);
- The availability of the broker-dealer to stand ready to effect transactions of varying degrees of difficulty in the future;
- The efficiency of error resolution, clearance and settlement;
- Block trading and positioning capabilities;
- Performance measurements;
- Online access to computerized data regarding customer accounts;
- Availability, comprehensiveness, and frequency of brokerage and research services;
- Commission rate;
- Economic benefit to the clients; and
- Related matters involved in the receipt of brokerage services.

That is, in seeking best execution, the determinative factor is not the lowest possible cost, but whether the transaction represents the best qualitative execution, taking into consideration the full range of a broker-dealer's services, including the value of research provided, execution capability, commission rates, and responsiveness. Accordingly, although ICM will seek competitive rates, to the benefit of all clients, it may not necessarily obtain the lowest possible commission rates for specific client account transactions. Although the investment research products and services that may be obtained by ICM will generally be used to service all of ICM's clients, a brokerage commission paid by a specific client may be used to pay for services that are not used in managing that specific client's account.

To the best of ICM's knowledge and due diligence inquiries, Fidelity and Schwab provide high-quality execution, and ICM's clients will pay competitive rates for such execution. Based upon its own knowledge of the securities industry, ICM believes that Fidelity and Schwab's commission rates are competitive within the securities industry: however, lower commissions or better execution may be able to be achieved elsewhere.

Please see the immediately below for further discussion of ICM's relationships with Fidelity and Schwab, including the economic benefits Fidelity and Schwab provide and associated conflicts of interest.

Fidelity

We are independently owned and operated and are not affiliated with Fidelity. Fidelity will hold your assets in a brokerage account and buy and sell securities when we provide instruction. While we recommend that you use Fidelity as custodian/ broker, you will decide whether to do so and will open your account with Fidelity by entering into an account Agreement directly with them. Conflicts of interest associated with this arrangement are described below as well as in **Item 14-Client Referrals and Other Compensation**. You should consider these conflicts of interest when selecting your custodian.

ICM has an arrangement with Fidelity through which Fidelity provides ICM with Fidelity's "platform" services. The platform services include, among others, brokerage, custodial, administrative support, record keeping and related services that are intended to support intermediaries like ICM in conducting business and in serving the best interests of its clients, but that may benefit ICM.

Fidelity charges brokerage commissions and transaction fees for (1) effecting certain securities transactions (transactions in options and certain mutual funds, and bonds being subject to a mark-up in purchase price) (2) for other securities transactions if clients do not (i) maintain a \$1 million account balance and (ii) elect paperless account statements. Fidelity enables ICM to obtain many no-load mutual funds without transaction charges and other no-load funds at nominal transaction charges. The commissions and transaction fees charged by Fidelity may be higher or lower than those charged by other custodians and broker-dealers.

As part of the arrangement, Fidelity also makes available to ICM, at no additional charge, certain research, and brokerage services, including research services obtained by Fidelity directly from independent research companies, as selected by ICM (within specified parameters). However, ICM does not utilize this research as part of its standard investment process.

In the first two years of operation, ICM will participate in a Fidelity program that is offered to select advisors and designed to support the formation, compliance, technology, investment and wealth management software, communication and/or operational activities of the business. The program pays third-party vendor invoices for eligible products or services deemed to be of benefit to clients. The program does not provide funds for ICM compensation of staff or any direct payment, only payments to eligible vendors for services rendered.

As a result of receiving such services for no additional cost, and for which ICM might otherwise have to pay for, ICM may have an incentive to continue to use or expand the use of Fidelity's services. ICM examined this potential conflict of interest when it chose to enter into the relationship with Fidelity and has determined that the relationship is in the best interests of its clients and satisfies its client obligations, including its duty to seek best execution. A client may pay a commission that is higher than another qualified broker-dealer might charge to affect the same transaction where ICM determines in good faith that the commission is reasonable in relation to the value of the brokerage and other services received. These services are not soft dollar arrangements but are part of the institutional platform offered by Fidelity.

Schwab

We are independently owned and operated and are not affiliated with Schwab. Schwab will hold your assets in a brokerage account and buy and sell securities when we provide instruction. While

we recommend that you use Schwab as custodian/ broker, you will decide whether to do so and will open your account with Schwab by entering into an account Agreement directly with them. Conflicts of interest associated with this arrangement are described below as well as in ***Item 14-Client Referrals and Other Compensation***. You should consider these conflicts of interest when selecting your custodian.

For our clients' accounts that Schwab maintains, Schwab generally does not charge you separately for custody services but is compensated by charging you commissions or other fees on trades that it executes or that settle into your Schwab account. Certain trades (for example, Schwab mutual funds and ETFs) do not incur Schwab commissions or transaction fees. Schwab is also compensated by earning interest on the uninvested cash in your account in Schwab's Cash Features Program. In addition to commissions, Schwab charges you 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 your Schwab account. These fees are in addition to the commissions or other compensation you pay the executing broker-dealer. Because of this, in order to minimize your trading costs, we have Schwab execute most trades for your account.

Products and services available to us from Schwab. Schwab Advisor Services™ is Schwab's business serving independent investment advisory firms like us. They provide our clients and us with access to their institutional brokerage services (trading, custody, reporting and related services), many of which are not typically available to Schwab retail customers. However, certain retail investors may be able to get institutional brokerage services from Schwab without going through us. 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 are generally available on an unsolicited basis (we do not have to request them) and at no charge to us. Following is a more detailed description of Schwab's support services.

Services that benefit you. 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. Schwab's services described in this paragraph generally benefit you and your account. Services that do not directly benefit you. Schwab also makes available to us other products and services that benefit us but do not directly benefit you or your account. These products and services assist us in managing and administering our clients' accounts and operating our firm. They include investment research, both Schwab's own and that of third parties: however, ICM does not utilize this research as part of its standard investment process. In addition to investment research, Schwab also makes available software and other technology that:

- Provide access to client account data (such as duplicate trade confirmations 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. While ICM does not utilize these services, they include:

- Educational conferences and events
- Consulting on technology and business needs
- Consulting on legal and compliance related needs
- Publications and conferences on practice management and business succession
- Access to employee benefits providers, human capital consultants, and insurance providers
- Marketing consulting and support
- Recruiting and custodial search consulting

Schwab provides some of these services itself. In other cases, it will arrange for third-party vendors to provide the services to us. Schwab also discounts or waives its fees for some of these services or pays all or a part of a third party's fees. If you did not maintain your account with Schwab, we would be required to pay for those services from our own resources if we utilized them.

The availability of these services from Schwab benefits us because we do not have to produce or purchase them. We do not have to pay for Schwab's services. The fact that we receive these benefits from Schwab is an incentive for us to recommend the use of Schwab rather than making such a decision based exclusively on your interest in receiving the best value in custody services and the most favorable execution of your transactions. This is a conflict of interest. We believe, however, that taken in the aggregate 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 and not Schwab's services that benefit only us.

Directed Brokerage

Clients may direct ICM to use Managers that utilize a particular broker for custodial or transaction services on behalf of the client's portfolio. In directed brokerage arrangements, to the extent possible, ICM will assist the client in negotiating the commission rates and other fees to be paid to the broker. However, a client who directs brokerage should consider whether such designation may result in certain costs or disadvantages to the client, either because the client may pay higher commissions or obtain less favorable execution, or the designation limits the investment options available to the client.

The arrangements that ICM has with Schwab and Fidelity are designed to maximize efficiency and to be cost effective. By directing brokerage arrangements, the client acknowledges that these economies of scale and levels of efficiency are generally compromised when alternative brokers are used. While every effort is made to treat clients fairly over time, the fact that a client chooses to use the brokerage and/or custodial services of these alternative service providers can in fact result in a certain degree of delay in executing trades for their account(s) and otherwise adversely affect management of their account(s).

Trade Errors

Where a trade error occurs in a client account due to ICM's error, we will correct the error and ensure the client account does not suffer a loss or incur a transaction cost related to that error. Depending on the nature of the error, we will pay the cost of the error or will cause the custodian or broker-

dealer to pay the cost of the error. If the error results in a profit, due to market movement, the client will keep the profit.

Aggregated Trade Policy

ICM does not typically place trades on behalf of client accounts. This activity is generally performed by the sub-advisors ICM uses to service client accounts.

As described earlier, ICM typically hires Separate Account Managers (“Manager(s)”) to manage the day-to-day trading activities of its clients’ accounts. When considering various Managers, ICM reviews the “best execution” policy of each Manager. Best execution is a combination of several factors, including, without limitation, quality of execution, services provided and commission rates. Therefore, ICM may use Managers with brokerage arrangements that do not result in the lowest available commission in the recognition of research and securities transaction services, or quality of execution. Research services received with transactions may include proprietary or third-party research (or any combination) and may be used in servicing any or all of a Manager’s clients. Therefore, research services received may not be used for the account for which the particular transaction was affected.

Item 13 - Review of Accounts

Client portfolios are reviewed at least quarterly but may be reviewed more often if requested by the client, upon receipt of information material to the management of the portfolio, or at any time such review is deemed necessary or advisable by ICM. These factors generally include, but are not limited to, the following: change in general client circumstances (marriage, divorce, retirement); or economic, political or market conditions.

Account custodians are responsible for providing account statements at least quarterly, which reflect the positions (and current pricing) in each account as well as transactions in each account, including fees paid from an account. Account custodians also provide prompt confirmation of all trading activity, and year-end tax statements, such as 1099 forms.

ICM may also provide clients with third-party reporting on a quarterly basis with reports provided during periodic client meetings or as requested.

Electronic mail is an acceptable form of delivering these materials. This delivery may include notification of the availability of such documents on a website, and client agrees that such notification will constitute “delivery.” Please compare this account statement with the custodian statement(s) for the same period. Nominal differences may occur in the total dollar amount due to the recording of dividend or interest payments after custodian statement deadlines.

Additional customized reports are available at the request of the client.

Item 14 - Client Referrals and Other Compensation

From time to time, ICM enters into solicitation agreements pursuant to which it compensates third-party intermediaries for client referrals that results in the provision of investment advisory services by ICM. ICM will disclose these solicitation arrangements to clients, and any solicitation agreements will comply with Rule 206(4)-1 (the “Marketing Rule”) under the Advisers Act.

Promoters/Solicitors introducing clients to ICM receive compensation from ICM, such as a retainer and/or a percentage of introduced capital. Such compensation will be paid pursuant to a written agreement with the promoter/solicitor and generally can be terminated by either party from time to time. The cost of any such fees will be borne entirely by ICM and not by any affected client.

As noted above, ICM receives economic benefits from Schwab and Fidelity in the form of support products and services they make available to ICM and other independent investment advisors that have their clients maintain accounts at Schwab and Fidelity. These products and services, how they benefit our firm, and the related conflicts of interest are described in **Item 12 - Brokerage Practices**. The availability of Schwab and Fidelity's products and services to ICM are based solely on our participation in the programs and not in the provision of any particular investment advice. Neither Schwab, Fidelity nor any other party is paid to refer clients to ICM.

Item 15 - Custody

ICM is not a qualified custodian and does not maintain direct custody of client funds and securities. We utilize professional, qualified custodians for the purpose of custodial services. However, ICM is deemed to have custody of client assets due to the ability to directly debit fees and as a result of certain standing letters of authorization that are in place.

ICM will compile and aggregate this information and provide reporting services to our clients. These reports should be compared to any statements provided by the custodian or general partner.

It is the custodian's responsibility to provide clients with confirmations of trading activity, tax forms and at least quarterly account statements. Clients are advised to review this information carefully, and to notify ICM of any questions or concerns.

Item 16 - Investment Discretion

As described above under **Item 4 - Advisory Business**, ICM manages portfolios on a discretionary basis. This means that after an Investment Policy is developed for the client's investment portfolio, ICM will execute that plan without specific consent from the client for each transaction. For discretionary accounts, a Limited Power of Attorney ("LPOA") is executed by the client, giving ICM the authority to carry out various activities in the account, generally including the following: trade execution; the ability to request checks on behalf of the client; and, the withdrawal of advisory fees directly from the account. ICM then directs investment of the client's portfolio using its discretionary authority. The client may limit the terms of the LPOA to the extent consistent with the client's investment advisory agreement with ICM and the requirements of the client's custodian. The discretionary relationship is further described in the agreement between ICM and the client.

Item 17 - Voting Client Securities

As a policy and in accordance with ICM's client agreement, ICM does not vote proxies related to securities held in certain client accounts. Clients retain the responsibility to vote these proxies. Clients may delegate proxy voting authority over securities held in accounts managed by Manager(s).

Item 18 - Financial Information

There are no negative financial conditions that could impair ICM's ability to meet contractual commitments to clients, including bankruptcy or insolvency issues.