

# Roosevelt Capital Management LLC Firm Brochure - Form ADV Part 2A

*This brochure provides information about the qualifications and business practices of Roosevelt Capital Management LLC. If you have any questions about the contents of this brochure, please contact us at (214) 871-2666 or by email at: [david.roosevelt@rooseveltcapitalmanagement.com](mailto:david.roosevelt@rooseveltcapitalmanagement.com). The information in this brochure has not been approved or verified by the United States Securities and Exchange Commission or by any state securities authority.*

*Additional information about Roosevelt Capital Management LLC is also available on the SEC's website at [www.adviserinfo.sec.gov](http://www.adviserinfo.sec.gov). Roosevelt Capital Management LLC's CRD number is: 283217.*

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*Registration as an investment adviser does not imply a certain level of skill or training.*

Version Date: 04/08/2025

## **Item 2: Material Changes**

This is an Other Than Annual amendment to our ADV 2A Brochure. The material changes in this brochure are listed below from the last annual updating amendment of Roosevelt Capital Management LLC on 02/20/2025. Material changes relate to Roosevelt Capital Management LLC's policies, practices or conflicts of interest.

Roosevelt Capital Management has added a new service, and fees associated with this service. (Item 4&5).

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## **Item 4: Advisory Business**

### **A. Description of the Advisory Firm**

Roosevelt Capital Management LLC (hereinafter “RCM”, previously White Lake Capital Management LLC) is a Limited Liability Company organized in the State of Texas. The firm was formed in February 2016, began conducting business in March 2019, and the owners are David Anthony Roosevelt, Roosevelt Investments, LP and Michael Patrick O’Brien. The General Partner of Roosevelt Investments, LP is Roosevelt Investments Management, LLC, and Roosevelt Investments, LP is principally owned by RI Residual, LP.

### **B. Types of Advisory Services**

#### ***Portfolio Management Services***

RCM offers ongoing portfolio management services based on the individual goals, objectives, time horizon, and risk tolerance of each client. Prior to providing advisory services to a client, RCM and the client shall complete and execute an investment management agreement outlining the services to be provided, the terms of the services as well as an investment policy statement. The firm will only use an investment management agreement that has been reviewed and approved by the CCO. The firm will generally require new clients to fill out a “New Client Information Form” if, and only if, the client claims not to be a High Net Worth individual. However, RCM may make exceptions on a case-by-case basis.

RCM evaluates the current investments of each client with respect to their risk tolerance levels. RCM will request discretionary authority from clients in order to select securities and execute transactions without permission from the client prior to each transaction. Risk tolerance levels are documented in the Investment Policy Statement, which is given to each client.

RCM seeks to provide that investment decisions are made in accordance with the fiduciary duties owed to its accounts and without consideration of RCM’s economic, investment or other financial interests. To meet its fiduciary obligations, RCM attempts to avoid, among other things, investment or trading practices that systematically advantage or disadvantage certain client portfolios, and accordingly, RCM’s policy is to seek fair and equitable allocation of investment opportunities/transactions among its clients to avoid favoring one client over another over time. It is RCM’s policy to allocate investment opportunities and transactions it identifies as being appropriate and prudent among its clients on a fair and equitable basis over time.

### ***Assets Under Advisement***

RCM will provide advisement services to certain clients outside of its Portfolio Management Services that may include the following: a) develop and advise on investment strategy across asset classes and managers, b) evaluate and recommend third-party managers or funds, c) review asset allocation, risk exposures, and alignment with the Client's Investment Policy, d) develop and deliver monthly performance reports with activity and positions, and present findings and make recommendations to the Client as needed, e) collaborate with Client to understand and manage liquidity needs, balancing interest rate and reinvestment risks, f) provide insights into broader market opportunities beyond current investment policy guidelines, and g) participate in periodic meetings and coordinate with other advisers as needed. These services will not include discretionary authority and will be assets under advisement.

### ***Types of Advisory Services and Services***

RCM generally offers client U.S. and non-U.S. fixed income securities, equities and cash management, but may use other securities as well to help diversify a portfolio when applicable. Please see Item 8 for more information regarding risks of certain products.

## **C. Client Tailored Services and Client Imposed Restrictions**

Depending on client needs, RCM may tailor an individualized program, or it may implement the firm's investing strategy designed to accommodate any of our clients.

RCM may use model allocations together with a specific set of recommendations for each client based on their personal restrictions, needs, and targets. RCM constructs portfolio guidelines which may include but are not limited to investment objective, allowable investments, credit quality, maturity / duration, liquidity, and issuer concentration. Clients may impose restrictions in investing in certain securities or types of securities in accordance with their values or beliefs. However, if the restrictions prevent RCM from properly servicing the client account, or if the restrictions would require RCM to deviate from its suite of services, RCM reserves the right to end the relationship.

## **D. Wrap Fee Programs**

A wrap fee program is an investment program where the investor pays one stated fee that includes management fees, transaction costs, and certain other administrative fees. RCM does not participate in wrap fee programs.

### E. Assets Under Management

RCM has assets under advisement in the amount of \$0. RCM has the following assets under management:

Discretionary Amounts:	Non-discretionary Amounts:	Date Calculated:
\$306,487,592	\$ 0.00	February 3, 2025

## **Item 5: Fees and Compensation**

### **A. Fee Schedule**

#### ***Portfolio Management Fees***

Annual Fees: Roosevelt Capital Management will not charge more than 1.00% of assets under management, and this fee is negotiable at the discretion of RCM and dependent on the mix of products utilized by the client.

RCM uses the average daily value of the account over of the billing period for purposes of determining the market value of the assets upon which the advisory fee is based.

These fees are generally negotiable, and the final fee schedule will be memorialized in the client's advisory agreement. Any increase in fees shall be accompanied by an amendment or the execution of a new contract, with signatures from both parties evidencing acceptance of the new fees. Clients may terminate the agreement without penalty for a full refund of RCM's fees within five business days of signing the Investment Advisory Contract. Thereafter, clients may terminate the Investment Advisory Contract generally with 7 days' written notice.

#### ***Assets Under Advisement Fees***

Roosevelt Capital Management will charge an annual fee of not more than 25 basis points of assets under advisement, calculated on the market value of the advised assets as of the last business day of each month. Fees will be invoiced monthly in arrears and are payable within 30 days.

### **B. Payment of Fees**

#### ***Payment of Portfolio Management Fees***

Asset-based portfolio management fees are withdrawn directly from the client's accounts with client's written authorization on a monthly basis. Fees are paid in arrears.

### **C. Client Responsibility For Third Party Fees**

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

#### **D. Prepayment of Fees**

RCM collects its fees in arrears. It does not collect fees in advance.



## **E. Outside Compensation For the Sale of Securities to Clients**

Neither RCM nor its supervised persons accept any compensation for the sale of investment products, including asset-based sales charges or service fees from the sale of mutual funds.

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

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

## **Item 7: Types of Clients**

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

- |                              |                                    |
|------------------------------|------------------------------------|
| ❖ Individuals                | ❖ Family Offices                   |
| ❖ High-Net-Worth Individuals | ❖ Foundations                      |
| ❖ Insurance Companies        | ❖ Corporations                     |
| ❖ Trusts / Estates           | ❖ Hedge Funds                      |
| ❖ Charitable Organizations   | ❖ Private Investment Companies     |
| ❖ Investment Companies       | ❖ Pension and Profit-Sharing Plans |
| ❖ Government Entities        |                                    |

There is an account minimum of \$1,000,000.00 for any of RCM's services.

## **Item 8: Methods of Analysis, Investment Strategies, & Risk of Loss**

### **A. Methods of Analysis and Investment Strategies**

#### ***Methods of Analysis***

RCM's methods of analysis include Cyclical analysis, Fundamental analysis and Quantitative analysis.

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

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

**Quantitative analysis** deals with measurable factors as distinguished from qualitative considerations such as the character of management or the state of employee morale, such as liquidity and solvency and their various components, and so on.

### *Investment Strategies*

RCM employs a mix of investment strategies and time horizons based on the type of securities being managed for each client.

Based on client needs, RCM recommends securities ranging from relatively safe investments like U.S. Treasury Bills to much riskier investments such as non-investment grade corporate bonds and equities.

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

## **B. Material Risks Involved**

### *Methods of Analysis*

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

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

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

### *Investment Strategies*

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

**Margin transactions** use leverage that is borrowed from a brokerage firm as collateral. Leverage enhances the ability to acquire assets, but also amplifies net profits and losses

and increases transaction costs. When losses occur, the value of the margin account may fall below the brokerage firm's threshold thereby triggering a margin call. This may force the account holder to either allocate more funds to the account or sell assets on a shorter time frame than desired. RCM's use of margin transactions generally holds greater risk and clients should be aware that there is a material risk of loss using any of those strategies.

### **Investment and Non-Investment Grade Corporate Bonds**

These securities are considered higher risk investments that may cause income and principal losses for the relevant portfolio. They are instruments which credit agencies have given a rating which indicates a higher risk of default.

Investing in securities involves a risk of loss that you, as a client, should be prepared to bear. Our past performance is not a guarantee of future results. Market, idiosyncratic, economic, political, business, credit, interest rate, liquidity, regulatory, concentration, inflation (purchasing power), epidemic, pandemic, and other known unknown or even unknowable risks may exist that could adversely affect your account's performance and or result in capital losses in your account.

## **C. Risks of Specific Securities Utilized**

Clients should be aware that there is a material risk of loss using any investment strategy. Equity and fixed Income investments (leaving aside certain securities issued or guaranteed by the U.S. government) are not guaranteed or insured by the FDIC or any other government agency.

**Equity** investment generally refers to buying shares of stocks in return for receiving a future payment of dividends and capital gains if the value of the stock increases. The value of equity securities may fluctuate in response to specific situations for each company, industry market conditions and general economic environments. These risks are more fully described below.

**Market Risk.** Equities can be volatile, and you can potentially risk substantial loss. Equity prices can fluctuate both up and down in dramatic fashion. The market can move up or down due to factors beyond our control. Anybody investing in equities should be aware that prices can move substantially in a short period of time, including situations where you might incur either temporary or permanent loss.

**Industry Risk.** The portfolio's investments could be concentrated within one industry or group of industries. Any factors detrimental to the performance of such industries will disproportionately impact your portfolio. Investments focused in a specific industry are subject to greater risk and are more greatly impacted by market volatility than less concentrated investments.

**Stock Specific Risk.** There are times that we purchase stocks, which in retrospect, are too expensive or have worse business prospects than we originally anticipated. Under these circumstances, you may incur a substantial or even total loss.

**Fixed income** investments generally pay a return on a fixed schedule, though the amount of the payments can vary. This type of investment can include corporate, municipal and government debt securities, leveraged loans, high yield, and investment grade debt and structured products, such as mortgage and other asset-backed securities. In general, the fixed income market is volatile and fixed income securities carry significant risk, including but not limited to: interest rate risk, inflation risk, liquidity risk, call risk, credit / default risk, reinvestment risk and extension risk. In addition, risks of investing in foreign fixed income securities also include the general risk of non-U.S. investing. These risks are more fully described below.

**Municipal Bonds** refer to a type of debt security issued by local, county and state governments. They are commonly offered to pay for capital expenditures, including highways, bridges, or schools. Municipal bonds act like loans with the bondholder becoming a creditor. In exchange for the borrowed capital, bondholders/investors are promised interest on their principal balance and the remaining paid by the maturity date. Municipal bonds are often tax exempt and therefore make these attractive to people in higher income tax brackets. As with all securities there are risks associated with being a municipal bond holder, namely default risk, economic downturn, interest rate fluctuations and lack of liquidity.

**US Treasury Cash Management** refers to Treasury debt issued by the U.S. Government. benefit of US Treasuries is that they are among the safest investments one can own given they are issued with the full faith and credit of the US Government. Longer dated Treasuries face interest rate risk which is why RCM typically buys securities maturing within two years.

**Interest Rate Risk.** The value of fixed income securities rises or falls based on the underlying interest rate environment. If rates rise, the value of most fixed income securities could go down. This effect is usually more pronounced for longer term securities.

**Inflation Risk.** Most fixed income instruments will sustain losses if inflation increases or the market anticipates increases in inflation. If we enter a period of moderate or heavy inflation, the value of your fixed income securities could go down.

**Liquidity Risk.** While a secondary market exists for most bonds, there is no guarantee that a secondary market exists for a particular fixed income security. Furthermore, if a security is sold prior to maturity, the price received may be significantly less than face value or the amount of the original investment.

**Call Risk.** We invest in various fixed income bonds, which are generally subject to call risk. Fixed income bonds and some securities issued by U.S. agencies may be called (redeemed) at the option of the issuer at a specified price before reaching their stated

maturity date. This risk increases when market interest rates are declining, because issuers may find it desirable to refinance by issuing new bonds at lower interest rates. If a bond held by your portfolio is called during a period of declining interest rates, we will likely reinvest the proceeds received by it at a lower interest rate than that of the called bond, causing a decrease in income.

**Credit / Default Risk.** Most fixed income instruments are dependent on the underlying credit of the issuer. If we are wrong about the underlying financial strength of an issuer, we may purchase securities where the issuer is unable to pay interest and/or principal on a timely basis. If this happens, your portfolio could sustain an unrealized or realized loss.

**Reinvestment Risk.** The risk that the income stream from the investment maybe reinvested at a lower interest rate. This risk is especially evident during periods of falling interest rates where coupon payments are reinvested at a lower rate than the current instrument.

**Extension Risk.** During periods of rising interest rates, the average life of certain types of securities may be extended because of lower than expected principal payments. This may lock in a below market interest rate, increase the security's duration and reduce the value of the security.

**Non-U.S. Risk.** Foreign securities present certain risks such as currency fluctuation, political and economic change, social unrest, changes in government regulation, differences in accounting and the lesser degree of accurate public information available.

**Past performance is not indicative of future results. Investing in securities involves a risk of loss that you, as a client, should be prepared to bear. There are principal and material risks involved which may adversely affect the account value and total return. There are other circumstances (including additional risks that are not described here) which could prevent your portfolio from achieving its investment objective. It is important to understand that you may lose money by investing in our strategies.**

#### **D. Information Sources**

Data and research that RCM may use includes, but is not limited to, Bloomberg Analytics, Clearwater Analytics, Charles Schwab & Co., company or municipal generated information (including 10Ks, 10Qs, annual reports, investor presentations, earnings calls, press releases, bond prospectuses, official statements, continuing disclosures), market data, financial industry news sources, industry and corporate / municipal research, rating services, social media (such as Twitter), websites and online databases (various taxing authorities and City-Data.com, for example), Google Earth and primary research such as driving a municipality.

## **Item 9: Disciplinary Information**

### **A. Criminal or Civil Actions**

There are no criminal or civil actions to report.

### **B. Administrative Proceedings**

There are no administrative proceedings to report.

### **C. Self-regulatory Organization (SRO) Proceedings**

There are no self-regulatory organization proceedings to report.

## **Item 10: Other Financial Industry Activities and Affiliations**

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

Neither RCM nor its representatives are registered as, or have pending applications to become, a broker/dealer or a representative of a broker/dealer.

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

Neither RCM nor its representatives are registered as or have pending applications to become either a Futures Commission Merchant, Commodity Pool Operator, or Commodity Trading Advisor or an associated person of the foregoing entities.

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

David Anthony Roosevelt is an employee of Roosevelt Investments, the family office created by his father. Roosevelt Investments operates under the Family Office Exemption of the Investment Advisors Act of 1940. This is a full-time position and David acts on behalf of the family in many capacities, including but not limited to, providing, executing, and monitoring investment recommendations. He will not offer clients of Roosevelt Capital Management LLC anything arising from this outside business activity.

Michael Patrick O'Brien is an owner of an application development and data analytics company. From time to time, he may offer clients advice or products from those activities

and clients should be aware that these services may involve a conflict of interest. Roosevelt Capital Management LLC always acts in the best interest of the client and clients always have the right to decide whether to utilize the services of any representative of Roosevelt Capital Management LLC in such individual's outside capacities.

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

RCM does not utilize nor select third-party investment advisers.

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

#### **A. Code of Ethics**

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

#### **B. Recommendations Involving Material Financial Interests**

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

#### **C. Investing Personal Money in the Same Securities as Clients**

From time to time, representatives of RCM may buy or sell securities for themselves that they also recommend to clients. This may provide an opportunity for representatives of RCM to buy or sell the same securities before or after recommending the same securities to clients resulting in representatives profiting off the recommendations they provide to clients. Such transactions may create a conflict of interest. RCM will always document any transactions that could be construed as conflicts of interest and will never engage in trading that operates to the client's disadvantage when similar securities are being bought or sold.

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

From time to time, representatives of RCM may buy or sell securities for themselves at or around the same time as clients. This may provide an opportunity for representatives of RCM to buy or sell securities before or after recommending securities to clients resulting in representatives profiting off the recommendations they provide to clients. Such transactions may create a conflict of interest; however, RCM will never engage in trading that operates to the client's disadvantage if representatives of RCM buy or sell securities at or around the same time as clients.

## **Item 12: Brokerage Practices**

### **A. Factors Used to Select Broker/Dealers**

Broker-dealers will be recommended based on RCM's duty to seek "best execution," which is the obligation to seek execution of securities transactions for a client on the most favorable terms for the client under the circumstances. Clients will not necessarily pay the lowest commission or commission equivalent, and RCM may also consider the market expertise and research access provided by the broker-dealer, including but not limited to access to written research, oral communication with analysts, admittance to research conferences and other resources provided by the brokers that may aid in RCM's research efforts. RCM will never charge a premium or commission on transactions, beyond the actual cost imposed by the broker-dealer.

RCM clients use Charles Schwab & Co., Inc. Advisor Services and Wells Fargo Clearing Services, LLC as custodians. RCM utilizes the broker-dealer services of both of these entities but also utilizes the services of other broker-dealers.

#### ***1. Research and Other Soft-Dollar Benefits***

RCM does not receive products or services other than execution ("soft dollar benefits") from a broker-dealer or third-party for generating commissions, but does receive additional economic benefits described in Item 14.

#### ***2. Brokerage for Client Referrals***

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

#### ***3. Clients Directing Which Broker/Dealer to Use***

RCM may permit clients to direct it to execute transactions through a specified broker-dealer. If a client directs brokerage, then the client will be required to acknowledge in



writing that the client's direction with respect to the use of brokers supersedes any authority granted to RCM to select brokers; this direction may result in higher commissions, which may result in a disparity between free and directed accounts; the client may be unable to participate in block trades (unless RCM is able to engage in "step outs"); and trades for the client and other directed accounts may be executed after trades for free accounts, which may result in less favorable prices, particularly for illiquid securities or during volatile market conditions. Not all investment advisers allow their clients to direct brokerage.

## **B. Aggregating (Block) Trading for Multiple Client Accounts**

If RCM buys or sells the same securities on behalf of more than one client, then it may (but would be under no obligation to) aggregate or bunch such securities in a single transaction for multiple clients in order to seek more favorable prices, lower brokerage commissions, or more efficient execution. In such case, RCM would place an aggregate order with the broker on behalf of all such clients in order to ensure fairness for all clients; provided, however, that trades would be reviewed periodically to ensure that accounts are not systematically disadvantaged by this policy. RCM would determine the appropriate number of bonds or shares, as the case may be, and select the appropriate brokers consistent with its duty to seek best execution, except for those accounts with specific brokerage direction (if any). Item 13: Review of Accounts

# **Item 13: Reviews of Accounts**

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

All client accounts for RCM's advisory services provided on an ongoing basis are reviewed at least annually by David A Roosevelt, Manager, with regard to clients' respective investment policies and risk tolerance levels. All accounts at RCM are assigned to this reviewer.

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

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

## **C. Content and Frequency of Regular Reports Provided to Clients**

Each client of RCM's advisory services is provided with access to their account information, including assets held, asset value, and calculation of fees through their

respective custodian's website. The information on these sites is updated daily with information provided, on an automated basis, by RCM's custodians.

## **Item 14: Client Referrals and Other Compensation**

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

RCM receives a direct economic benefit from clients referred to RCM by Wells Fargo in the form of management fees for assets under management. No compensation is provided to Wells Fargo for these referrals.

Charles Schwab & Co., Inc. Advisor Services provides RCM with access to Charles Schwab & Co., Inc. Advisor Services' institutional trading and custody services, which are typically not available to Charles Schwab & Co., Inc. Advisor Services retail investors. These services generally are available to independent investment advisers on an unsolicited basis, at no charge to them so long as a total of at least \$10 million of the adviser's clients' assets are maintained in accounts at Charles Schwab & Co., Inc. Advisor Services. Charles Schwab & Co., Inc. Advisor Services includes brokerage services that are related to the execution of securities transactions, custody, research, including that in the form of advice, analyses and reports, and access to mutual funds and other investments that are otherwise generally available only to institutional investors or would require a significantly higher minimum initial investment. For RCM client accounts maintained in its custody, Charles Schwab & Co., Inc. Advisor Services generally does not charge separately for custody services but is compensated by account holders through commissions or other transaction-related or asset-based fees for securities trades that are executed through Charles Schwab & Co., Inc. Advisor Services or that settle into Charles Schwab & Co., Inc. Advisor Services accounts.

Charles Schwab & Co., Inc. Advisor Services also makes available to RCM other products and services that benefit RCM but may not benefit its clients' accounts. These benefits may include national, regional or RCM specific educational events organized and/or sponsored by Charles Schwab & Co., Inc. Advisor Services. Other potential benefits may include occasional business entertainment of personnel of RCM by Charles Schwab & Co., Inc. Advisor Services personnel, including meals, invitations to sporting events, including golf tournaments, and other forms of entertainment, some of which may accompany educational opportunities. Other of these products and services assist RCM in managing and administering clients' accounts. These include software and other technology (and related technological training) that provide access to client account data (such as trade confirmations and account statements), facilitate trade execution (and allocation of aggregated trade orders for multiple client accounts, if applicable), provide research, pricing information and other market data, facilitate payment of RCM's fees from its clients' accounts (if applicable), and assist with back-office training and support functions, recordkeeping and client reporting. Many of these services generally may be used to service all or some substantial number of RCM's accounts. Charles Schwab & Co., Inc.

Advisor Services also makes available to RCM other services intended to help RCM manage and further develop its business enterprise. These services may include professional compliance, legal and business consulting, publications and conferences on practice management, information technology, business succession, regulatory compliance, employee benefits providers, and human capital consultants, insurance and marketing. In addition, Charles Schwab & Co., Inc. Advisor Services may make available, arrange and/or pay vendors for these types of services rendered to RCM by independent third parties. Charles Schwab & Co., Inc. Advisor Services may discount or waive fees it would otherwise charge for some of these services or pay all or a part of the fees of a third-party providing these services to RCM. RCM is independently owned and operated and not affiliated with Charles Schwab & Co., Inc. Advisor Services.

#### **B. Compensation to Non - Advisory Personnel for Client Referrals**

RCM may enter into written arrangements with third parties to act as solicitors for RCM's investment management services. Solicitor relationships will be fully disclosed to each Client to the extent required by applicable law. RCM will ensure each solicitor is exempt, notice filed, or properly registered in all appropriate jurisdictions.

### **Item 15: Custody**

RCM does not have full custody of client cash or securities. Selection of a custodian, either a bank or brokerage firm, to secure cash and securities, is ultimately at the discretion of the client. This provides a good control between the client, custodian and investment manager to safeguard the client's assets.

When advisory fees are deducted directly from client accounts at client's custodian, RCM will be deemed to have limited custody of client's assets and must have written authorization from the client to do so.

### **Item 16: Investment Discretion**

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

## **Item 17: Voting Client Securities (Proxy Voting)**

Clients may decide to vote their own proxies. In such cases, they will receive their proxies or other solicitation directly from their custodian. In addition, Clients may choose to direct RCM to vote their proxies pursuant to established guidelines. In the absence of either, RCM will vote each proxy in what it believes to be the best interest of each individual client.

## **Item 18: Financial Information**

### **A. Balance Sheet**

RCM neither requires nor solicits prepayment of more than \$500 in fees per client, six months or more in advance, and therefore is not required to include a balance sheet with this brochure.

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

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

### **C. Bankruptcy Petitions in Previous Ten Years**

RCM does not collect more than \$1,200 per client more than 6 months in advance so we are not required to include a balance sheet with this filing. There are no financial conditions likely to impair us from meeting our obligations to our clients. RCM nor its management has been the subject of a bankruptcy petition in the last ten years.