

HENRY BRAGG
& CO.

JANUARY 2024

Form ADV Part 2A

FIRM BROCHURE



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This brochure provides information about the qualifications and business practices of Henry Bragg & Co. If you have any questions about the contents of this brochure, contact us at 713-393-9444. 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 Henry Bragg & Co. is available on the SEC's website at www.adviserinfo.sec.gov.

Henry Bragg & Co. is a registered investment adviser. Registration with the United States Securities and Exchange Commission or any state securities authority does not imply a certain level of skill or training.

ITEM 2

Summary of Material Changes

We are required to advise you of any material changes since our last annual update in March 2023. No material changes have occurred since that update.

ITEM 3

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ITEM 4

Advisory Business

Description of Firm

Henry Bragg & Co. is a registered investment adviser based in Houston, TX. We are organized as a limited liability company (“LLC”) under the laws of the State of Texas. We have been providing investment advisory services since November 2020. The principal owner of the firm is Henry S. Bragg.

The following paragraphs describe our services and fees. Refer to the description of each investment advisory service listed below for information on how we tailor our advisory services to your individual needs. As used in this brochure, the words “we,” “our,” and “us” refer to Henry Bragg & Co. (or “HBCo”) and the words “you,” “your,” and “client” refer to you as either a client or prospective client of our firm.

Portfolio Advisory Services

We offer discretionary portfolio advisory services. Our investment advice is tailored to meet our clients’ needs and investment objectives.

If you participate in our discretionary portfolio advisory services, we require you to grant our firm discretionary authority to manage your account. Discretionary authorization will allow us to determine the specific securities, and the amount of securities, to be purchased or sold for your account without your approval prior to each transaction. Discretionary authority is typically granted by the investment advisory agreement (“IAA”) you sign with our firm and the appropriate trading authorization forms.

You can limit our discretionary authority (for example, limiting the types of securities that can be purchased or sold for your account) by providing our firm with your restrictions and guidelines in writing.

As part of our portfolio advisory services, in addition to other types of investments (see disclosures below in this section), we may invest your assets according to one or more model portfolios developed by Forum Financial Management, LP (“Forum,” see Forum Financial Management, LP within this section). The models are designed for investors with varying degrees of risk tolerance ranging from a more aggressive investment strategy to a more conservative investment approach.

Once the appropriate portfolio(s) has been determined, the account is generally managed based on the portfolio’s goal. Account supervision is guided by the stated objectives of the client (i.e., Aggressive Growth, Growth, Growth and

Income, Income and Growth, or Income). HBCo will, if appropriate, suggest modifications to the model or an allocation among two or more of the models to address the client’s individual needs more adequately. HBCo can also vary from model portfolios to accommodate customized portfolios where appropriate (see Special Situations within this section).

Qualified Plan Services

HBCo also offers Qualified Plan Services which consist of several related advisory services that can be provided separately or in combination depending on the client’s needs. While the primary clients for these services will be sponsors of pension, profit sharing, and 401(k) plans, HBCo can also provide these services, where appropriate, to individuals and trusts, estates, and charitable organizations. HBCo’s Qualified Plan Services include assisting the client with selecting suitable investments for the plan, re-evaluating those selections periodically, and offering educational support to the plan sponsor and the participants.

The nature of the topics to be covered with participants will be determined by HBCo and the client under the guidelines established in Section 404(c) of the Employee Retirement Income Security Act of 1974, as amended (“ERISA”).

Trusted Advisor Services

This service is designed to provide advice, consulting, and other financial services to ultra-high-net-worth clients. The service may or may not include portfolio advisory services.

Financial Review Services

In certain circumstances, we will review your financial situation and make suggestions on what we believe is best for you.

Types of Securities & Selection of Other Advisers

HBCo will primarily use institutional style-specific mutual funds, Exchange Traded Funds (“ETFs”), U.S. government securities, and municipal bonds, to fund various classes within a portfolio, except when, in the fixed income category, U.S. Treasuries are a better alternative or when there is a benefit to directly holding high-yield bonds. We will utilize Dimensional Fund Advisors, LP. (“DFA”) in all asset classes unless Vanguard is deemed to offer a better solution. When appropriate, HBCo will utilize DFA to manage individual equities. From time to time, HBCo may enter into additional written agreements with third-party registered investment advisers or may employ an individual bond strategy or individual brokerage Certificate of Deposits (CDs) for a portion of a clients’ portfolios if HBCo deems it appropriate and in the best interests of clients.

Forum Financial Management, LP

Forum provides services to our firm. We have engaged Forum as a third-party service provider for the provision of back-office

services for the benefit of clients' accounts. These services include but are not limited to account administration, technology, and trading. As such, the client should understand that we share relevant client information with Forum and client expressly permits us to disclose such client information to Forum. Forum maintains a privacy policy whereby Forum does not disclose non-public information obtained from us to any non-affiliated third parties, except as required to process transactions on client's behalf or if required by law or regulation. HBCo pays Forum a fee for its services. Clients are not charged any additional fees by us for Forum's services. Forum provides HBCo clients with lower trading costs given its size and ability to negotiate with outside providers. Because Mr. Bragg is the sole owner and investment advisor, HBCo has a succession agreement in place with Forum (see Brokerage Practices in Item 12). Documentation of this agreement is on file with our qualified custodian.

Special Situations

As needed, we will advise you on various types of investments based on your stated goals and objectives, as well as provide advice on any type of investment held in your portfolio. Legacy securities with low basis can be substituted in the model portfolios for tax reasons. As time goes by, we'll attempt to reduce such positions in a tax-efficient way to bring the portfolio into balance with the recommended securities.

Since our investment strategies and advice are based on each client's specific financial situation, the investment advice we provide to you may be different or conflicting with the advice we give to other clients regarding the same security or investment.

Assets Under Management

As of December 31, 2023, we had \$279,562,711 of discretionary assets under management and \$5,031,788 of non-discretionary assets under management totaling \$284,594,499.

ITEM 5

Fees and Compensation

Portfolio Advisory Services

The annual fee for our portfolio advisory services is never more than 1.25% of the market value (plus any credit balance and minus and debit balance) of client assets under management. Assets in each of your account(s) are included in the fee assessment unless specifically identified in writing for exclusion.

Our annual portfolio management fee is billed and payable, quarterly in arrears, based on the balance at end of billing period after adjustments for cash flows during the period.

If the portfolio management agreement is executed at any time other than the first day of a calendar quarter, our fees will apply on a pro rata basis, which means that the advisory fee is payable in proportion to the number of days in the quarter for which you are a client.

Our advisory fee is negotiable, depending on individual client circumstances. At our discretion, we may combine the account values of family members living in the same household to determine the applicable advisory fee. For example, we may combine account values for you and your minor children, joint accounts with your spouse, and other types of related accounts. Combining account values increases the asset total, which may result in your paying a reduced advisory fee.

We will deduct our fee directly from your account through the qualified custodian holding your funds and securities. We will deduct our advisory fee only when you have given our firm and custodian written authorization by client agreement or custodial form permitting the fees to be paid directly from your account. Further, the qualified custodian will deliver an account statement to you at least quarterly. These account statements will show all disbursements from your account. You should review all statements for accuracy.

Clients may request to terminate their agreement with our firm in whole or in part, by providing 30 days advance notice. Should a client terminate mid-quarter, the client will be billed for the number of days during the quarter that services were provided.

Qualified Plan Services

Plan sponsors engaging HBCo to provide Qualified Plan Services are charged an annual advisory fee based on a percentage of the total plan value for each calendar quarter, or part thereof. The annual management fee for Qualified Plan Services (401(k) Services) shall be no greater than 1.0%.

As disclosed above, we offer various levels of advisory services to employee benefit plans ("Plans") and to the participants of such plans ("Participants"). The services are designed to assist Plan sponsors in meeting their management and fiduciary obligations to Participants under ERISA. Pursuant to adopted regulations of the U.S. Department of Labor, we are required to provide the Plan's responsible fiduciary (the person who has the authority to engage us as an investment adviser to the Plan) with a written statement of the services we provide to the Plan, the compensation we receive for providing those services, and our status (which is described below).

The services we provide to your Plan and our compensation for these services are described above and also by written

agreement between parties. HBCo is registered as an investment adviser under the Investment Advisers Act of 1940, as amended, and represents that it is not subject to any disqualification as set forth in Section 411 of ERISA.

Trusted Advisor Services

HBCo begins this type of work on an hourly basis before converting to monthly or quarterly retainer. The initial hourly rates range up to \$700 depending on the staff involved.

Financial Review Services

HBCo can provide services on a short-term project basis at a pre-determined flat rate or at an hourly fee of \$400. This is negotiable depending upon the services rendered.

Selection of Other Advisers

We may recommend the use of a third-party money manager ("TPMM"). We do not charge you a separate fee for the selection of other advisers. The fees you pay HBCo when we use a sub-adviser will not be any more than you would pay HBCo if we did not use the sub-adviser. The specific amounts to be charged will be set forth in your advisory contract.

You should review each TPMM's ADV Part 2A brochure which will be either provided to you upon commencement of an executed agreement with our firm or delivered by standard or electronic mail.

Clients do not pay a fee to Forum (see section titled Forum Financial Management, LP above).

Additional Fees and Expenses

As part of our investment advisory services to you, we may invest, or recommend that you invest, in mutual funds, ETFs, or a sub-adviser other than Forum. The fees that you pay to our firm for investment advisory services are separate and distinct from the fees on mutual funds or ETFs (described in each fund's prospectus) to their shareholders. These fees will generally include a management fee and other fund expenses. You will also incur transaction charges and/or brokerage fees when purchasing or selling securities. These charges and fees are typically imposed by the broker-dealer or custodian through whom your account transactions are executed. We do not share in any portion of the brokerage fees/transaction charges imposed by the broker-dealer or custodian. To fully understand the total cost you will incur, you should review all the fees charged for the underlying investments (i.e., mutual funds, ETFs, etc.), our firm, and others (i.e., the qualified custodian). For information on our brokerage practices, refer to the Brokerage Practices section of this brochure.

ITEM 6

Performance-Based Fees and Side-By-Side Management

We do not accept performance-based fees or participate in side-by-side management.

ITEM 7

Types of Clients

We offer investment advisory services to high-net-worth ("HNW") individuals, individuals (other than HNW), and institutional clients including but not limited to banks, pension, profit sharing, and 401(k) plans, trusts, estates, charitable organizations, insurance companies, and other business entities, particularly those associated with our HNW clients.

In general, we prefer a minimum dollar amount of \$2 million to open and maintain a portfolio management account. We have the right to decline or terminate your account if it is deemed too small to manage effectively.

We may also combine account values for you and your minor children, joint accounts with your spouse, and other types of related accounts for fee purposes.

ITEM 8

Methods of Analysis, Investment Strategies and Risk of Loss

Methods of Analysis

HBCo's investment advice is based on long-term investment strategies incorporating the principles of Modern Portfolio Theory, the Capital Pricing Model, and the Five-Factor Model (described in further detail below). HBCo's investment approach is firmly rooted in the belief that markets are efficient, and that investors' returns are determined principally by asset allocation decisions, not by market timing or stock picking. HBCo focuses on developing diversified portfolios, principally through the use of DFA's asset class mutual funds and ETFs. DFA's mutual funds are available only to institutional investors and clients of a network of selected investment advisers.

Modern Portfolio Theory states that by diversification among investments that have a low or negative correlation the risk of a portfolio can be reduced without necessarily sacrificing the expected return. The goal is to combine investments that do not move in the same direction so that when some investments lose value others may increase in value. This should lower the volatility, or risk, of a portfolio.

Capital Pricing Model identifies two risks, Market Risk and Non-Market Risk. Market Risk is one risk that is rewarded - it is the inherent risk of investing in the market and cannot be diversified away. Non-Market Risk is the risk in a specific company, sector, or industry that can be reduced through a well-diversified portfolio.

The Five-Factor Model (2015) is based on academic research published by American economists Eugene F. Fama and Kenneth R. French, which identified five factors that explain the return of an asset class.

Sources of Information

HBCo relies on DFA, an SEC-Registered Investment Advisor, for a significant part of its investment research as well as research papers, professional publications, magazines, and professional seminars. We also rely on research conducted by Forum's Investment Policy Committee ("Forum's IPC").

Investment Strategies

HBCo offers clients several model portfolios based on varying stock and bond allocations. HBCo manages portfolios according to five broad mandates: Income, Income & Growth, Growth & Income, Growth, and Aggressive Growth while providing broad exposure to the total stock market both domestically and internationally. The five core mandates are defined as follows:

- **Income (0-30% equity, 70-100% fixed income)** The portfolio is typically heavily weighted towards mutual funds and ETFs that have bonds as the primary underlying investment. It is generally designed for investors whose concern is protecting their assets, or who simply desire a decreased level of market volatility.
- **Income & Growth (40% equities, 60% fixed income)** The portfolio seeks current income with a secondary objective of growth of capital. This portfolio is suitable for investors who want the potential for some growth of assets but are more concerned with protecting their principal investment.
- **Growth & Income (50% equities, 50% fixed income)** The portfolio seeks growth of capital and current income as near-equal objectives. The portfolio's goal is to balance risk and reward.
- **Growth (60-70% equity, 30-40% fixed income)** The portfolio seeks growth of principal. This portfolio is suitable for investors who are willing to accept risk to have the potential

for higher returns over time, and generally have a 6-10 year investment horizon, i.e., before they begin withdrawing their savings in retirement.

- **Aggressive Growth (80-100% equity, 0-20% fixed income)**

The portfolio's goal is to produce growth of principal and will have higher volatility. This portfolio is for investors who are willing to accept risk to have the potential for higher returns over time and have at least a 10-year investment horizon.

Customized Portfolios

HBCo can vary from the model portfolios to accommodate customized portfolios where appropriate.

Client-Selected Portfolios

Clients have the option to retain HBCo to manage their portfolio in accordance with a model selected by the client that is different from the model portfolio recommended by HBCo. The client will direct HBCo to invest their accounts according to the client's selected target allocation whether directly or through a sub-advisor. Often, clients have multiple accounts managed as one portfolio. Any purchases or sales of securities made in the accounts will be made in an effort to implement the portfolio specified by the client.

Changes to Model Portfolios

HBCo leverages Forum's IPC and reviews all findings from the committee to ensure model changes are deemed in the best interest of clients.

Investments Held Away

HBCo has from time to time advised clients with respect to investment accounts not directly supervised and managed by HBCo. The accounts include but are not limited to 401(k), 403(b), and 529 accounts. The fees for such services will be deducted from the accounts managed by HBCo. This advice will generally include asset allocation and fund selection. The fee for assets held away is the same fee for assets under direct management, which are evidenced in the client's IAA (defined in Item 4). Funds selected will be primarily chosen on their asset class description and fees in a manner consistent with HBCo's model portfolios.

Tax Considerations

Our strategies and investments may have unique and significant tax implications. However, unless we specifically agree otherwise, and in writing, tax efficiency is not our primary consideration in the management of your assets. Regardless of your account size or any other factors, we strongly recommend that you consult with a tax professional regarding the investing of your assets. While we take taxes into consideration and optimize your portfolio for tax efficiency, transactions (particularly withdrawing invested funds) can adversely affect dollars available to invest and

long-term investment performance of maximizing after-tax invested dollars.

Custodians and broker-dealers must report the cost basis of equities acquired in client accounts. The default accounting method for client accounts is Tax Lot Optimizer™. This method optimizes capital gains by selling losses first and gains last. If you or your tax advisor believe another accounting method is more advantageous, provide written notice to our firm immediately and we will alert your account custodian of your individually selected accounting method.

Risk of Loss

Investing in securities involves risk of loss that you should be prepared to bear. We do not represent or guarantee that our services or methods of analysis can or will predict future results, successfully identify market tops or bottoms, or insulate clients from losses due to market corrections or declines. We cannot offer any guarantees or promises that your financial goals and objectives will be met. Past performance is in no way an indication of future performance.

Our investment strategies and advice may vary depending upon each client's specific financial situation. As such, we determine investments and allocations based upon your predefined objectives, risk tolerance, time horizon, financial information, liquidity needs, and other various suitability factors. Your restrictions and guidelines may affect the composition of your portfolio. It is important that you notify us immediately with respect to any material changes to your financial circumstances, including, for example, a change in your current or expected income level, tax circumstances, or employment status.

Our investment approach constantly keeps the risk of loss in mind. Investors can face the following investment risks:

Market Risk: The price of a security, bond, or mutual fund may drop in reaction to tangible and intangible events and conditions. This type of risk is caused by external factors independent of a security's particular underlying circumstances. For example, political, economic, and social conditions may trigger market events.

Inflation and Interest Rate Risk: Security prices and portfolio returns will likely vary in response to changes in inflation and interest rates. Inflation causes the value of future dollars to be worth less and may reduce the purchasing power of a client's future interest payments and principal. Inflation also generally leads to higher interest rates which can cause the value of many types of fixed income investments to decline.

Currency Risk: Overseas investments are subject to fluctuations in the value of the dollar against the currency of the investment's originating country. This is also referred to as exchange rate risk.

Business Risk: These risks are associated with a particular industry or a particular company within an industry. For example, oil-drilling companies depend on finding oil and then refining it, a lengthy process, before they can generate a profit. They carry a higher risk of profitability than an electric company, which generates its income from a steady stream of customers who buy electricity no matter what the economic environment is like.

Liquidity Risk: Liquidity is the ability to readily convert an investment into cash. Generally, assets are more liquid if many traders are interested in a standardized product. For example, Treasury Bills are highly liquid, while real estate properties are not. Other examples of illiquid securities include private placement securities, including hedge fund or pooled vehicle interests.

Credit Risk: Credit risk typically applies to debt investments such as corporate, municipal, and sovereign fixed income or bonds. A bond issuing entity can experience a credit event that could impair or erase the value of an issuer's securities held by a client.

Horizon and Longevity Risk: The risk that your investment horizon is shortened because of an unforeseen event, for example, the loss of your job. This may force you to sell investments that you were expecting to hold for the long-term. If you must sell at a time when the markets are down, you may lose money. Longevity Risk is the risk of outliving your savings. This risk is particularly relevant for people who are retired or are nearing retirement.

Other Risk Considerations

When evaluating risk, financial loss may be viewed differently by each client and may depend on many different risks, each of which may affect the probability and magnitude of any potential losses. The following risks are not all-inclusive, and should be considered carefully by a prospective client before retaining our services.

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.

Risk: Using a long-term purchase strategy generally assumes the financial markets will go up in the long-term which may not be the case. There is also the risk that the segment of the market that you are invested in or perhaps just your particular investment will go down over time even if the overall financial markets advance. Purchasing investments long-term may

create an opportunity cost by “locking-up” assets that would have performed better in other investments in the short-term.

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.

Risk: If the value of the shares drops sufficiently, the investor will be required to either deposit more cash into the account or sell a portion of the stock in order to maintain the margin requirements of the account. This is known as a “margin call.” An investor’s overall risk includes the amount of money invested plus the amount that was loaned to them.

Recommendation of Particular Types of Securities

We primarily recommend mutual funds and ETFs. However, we may advise on other types of investments as appropriate for you since each client has different needs and different tolerance for risk. Each type of security has its own unique set of risks associated with it and it would not be possible to list here all of the specific risks of every type of investment. Even within the same type of investment, risks can vary widely. However, in very general terms, the higher the anticipated return of an investment, the higher the risk of loss associated with the investment.

Municipal Securities: Municipal securities, while generally thought of as safe, can have significant risks associated with them including but not limited to the credit worthiness of the governmental entity that issues the bond; the stability of the revenue stream that is used to pay the interest to the bondholders; when the bond is due to mature; and whether or not the bond can be “called” prior to maturity. When a bond is called, it may not be possible to replace it with a bond of equal character paying the same amount of interest or yield to maturity.

Stocks: There are numerous ways of measuring the risk of equity securities (also known simply as “equities” or “stock”). In very broad terms, the value of a stock depends on the financial health of the company issuing it. However, stock prices can be affected by many other factors including but not limited to the class of stock (for example, preferred or common); the health of the market sector of the issuing company; and the overall health of the economy. In general, larger, better established companies (“large cap”) tend to be safer than smaller start-up companies (“small cap”), but the mere size of an issuer is not, by itself, an indicator of the safety of the investment.

Mutual Funds and Exchange Traded Funds: Mutual funds and ETFs are professionally managed collective investment systems that pool money from many investors and invest in stocks, bonds, short-term money market instruments, other mutual funds, other

securities, or any combination thereof. The fund will have a manager that trades the fund’s investments in accordance with the fund’s investment objective. While mutual funds and ETFs generally provide diversification, risks can be significantly increased if the fund is concentrated in a particular sector of the market, primarily invests in small cap or speculative companies, uses leverage (i.e., borrows money) to a significant degree, or concentrates in a particular type of security (i.e., equities) rather than balancing the fund with different types of securities. ETFs differ from mutual funds since they can be bought and sold throughout the day like stock and their price can fluctuate throughout the day. The returns on mutual funds and ETFs can be reduced by the costs to manage the funds. Also, while some mutual funds are “no load” and charge no fee to buy into, or sell out of, the fund, other types of mutual funds do charge such fees which can also reduce returns. Mutual funds can also be “closed-end” or “open-end.” So-called “open-end” mutual funds continue to allow in new investors indefinitely whereas “closed-end” funds have a fixed number of shares to sell, which can limit their availability to new investors.

ETFs and indexed mutual funds may have tracking error risks. For example, the ETF investment adviser may not be able to cause the ETF’s performance to match that of its Underlying Index or other benchmark, which may negatively affect the ETF’s performance. In addition, for leveraged and inverse ETFs that seek to track the performance of their Underlying Indices or benchmarks on a daily basis, mathematical compounding may prevent the ETF from correlating with performance of its benchmark. In addition, an ETF may not have investment exposure to all of the securities included in its Underlying Index, or its weighting of investment exposure to such securities may vary from that of the Underlying Index. Some ETFs may invest in securities or financial instruments that are not included in the Underlying Index, but which are expected to yield similar performance. DFA’s funds do not trade to a specific index. The flexibility can result in superior execution when compared to traditional index funds.

ITEM 9

Disciplinary Information

We are required to disclose the facts of any legal or disciplinary events that are material to a client’s evaluation of our advisory business or the integrity of our management. We do not have any legal or disciplinary events, currently or in the past.

ITEM 10

Other Financial Industry Activities and Affiliations

We are not affiliated with any financial industry entities.

Recommendation of Other Advisers

We may recommend that you use a third-party money manager (“TPMM”) based on your needs and suitability. We will not receive separate compensation, directly or indirectly, from the TPMM for recommending that you use their services. Refer to the Advisory Business section (Item 4) above for additional disclosures on this topic.

ITEM 11

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

Description of Our Code of Ethics

We strive to comply with applicable laws and regulations governing our practices. Therefore, our Code of Ethics includes guidelines for professional standards of conduct for persons associated with our firm. Our goal is to protect your interests at all times and to demonstrate our commitment to our fiduciary duties of honesty, good faith, and fair dealing with you. All persons associated with our firm are expected to adhere strictly to these guidelines. Persons associated with our firm are also required to report any violations of our Code of Ethics. Additionally, we maintain and enforce written policies reasonably designed to prevent the misuse or dissemination of material, non-public information about you or your account holdings by persons associated with our firm.

Clients or prospective clients may obtain a copy of our Code of Ethics by contacting us at the telephone number on the cover page of this brochure.

Participation or Interest in Client Transactions

Neither our firm nor any persons associated with our firm has any material financial interest in client transactions beyond the provision of investment advisory services as disclosed in this brochure.

Personal Trading Practices

Our firm or persons associated with our firm may buy or sell the same securities that we recommend to you or securities in which you are already invested. A conflict of interest exists in such cases because we have the ability to trade ahead of you and potentially receive more favorable prices than you will receive. To mitigate this conflict of interest, it is our policy that neither our firm nor persons associated with our firm shall have priority over your account in the purchase or sale of securities.

ITEM 12

Brokerage Practices

Your assets must be maintained in an account at a “qualified custodian,” generally a broker-dealer or bank. In recognition of the value of the services the custodian provides, you may pay higher commissions and/or trading costs than those that may be available elsewhere.

We seek to recommend a custodian/broker that will hold your assets and execute transactions on terms that are, overall, the most favorable compared to other available providers and their services. We consider various factors including:

- Capability to buy and sell securities for your account itself or to facilitate such services.
- The likelihood that your trades will be executed.
- Availability of investment research and tools.
- Overall quality of services.
- Competitiveness of price.
- Reputation, financial strength, and stability.
- Existing relationship with our firm and our other clients.

The custodians and brokers we use

We do not maintain custody of your assets on which we advise, although we are deemed to have custody of your assets if you give us authority to withdraw assets from your account (see Item 15—Custody, below). We recommend that our clients use Charles Schwab & Co., Inc. (“Schwab”), a registered broker-dealer, member SIPC, as the qualified custodian.

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 instruct them to do so. While we require 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.

We do not open the account for you, although we assist you in doing so. If you do not wish to place your assets with Schwab, then we may not be able to manage your account. Not all advisors require their clients to use a particular broker-dealer or other custodian selected by the advisor. Even though your account is maintained at Schwab, and we anticipate that most trades will be executed through Schwab, we can still use other brokers to execute trades for your account as described below (see “Your brokerage and custody costs” in this section).

We may establish additional custodial relationships based on client preference for new substantial relationships.

How we select brokers/custodians

We use Schwab, a custodian/broker that will hold your assets and execute transactions. When considering whether the terms that Schwab provides are, overall, most advantageous to you when compared with other available providers and their services, we take into account a wide range of factors including:

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

Your brokerage and custody costs

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, many mutual funds and ETFs) may 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. 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.

We are not required to select the broker or dealer that charges the lowest transaction cost, even if that broker provides execution quality comparable to other brokers or dealers.

Although we are not required to execute all trades through Schwab, we have determined that having Schwab execute most trades is consistent with our duty to seek “best execution” of your trades. Best execution means the most favorable terms for a transaction based on all relevant factors including those listed above (see “How we select brokers/custodians” in this section). By using another broker or dealer you may pay lower transaction costs. In addition, our relationship with Forum may provide access to lower trading costs for clients.

Products and services available to us from Schwab

Schwab Advisor Services™ is Schwab’s business serving independent investment advisory firms like us. They provide us and our clients 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 or that would require a significantly higher minimum initial investment by our clients. 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. We may use this research to service all or a substantial number of our clients' accounts including accounts not maintained at Schwab, if any. 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. These services include:

- Educational conferences and events
- Consulting on technology and business needs
- Consulting on legal and related compliance 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

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. Schwab also provides us with other benefits, such as occasional business entertainment of our personnel.

If you did not maintain your account with Schwab, we would be required to pay for these services from our own resources.

Our Interest in Schwab's Services

The availability of these services from Schwab benefits us because we do not have to produce or purchase them. We do not have to pay for Schwab's services. These services are not contingent upon us committing any specific amount of business to Schwab in trading commissions or assets in custody. 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 (see "How we select brokers/custodians" in this section) and not Schwab's services that benefit only us.

Research and Other Soft Dollar Benefits

We do not have any soft dollar arrangements.

Economic Benefits

As a registered investment adviser, we have access to the institutional platform of your account custodian. As such, we will also have access to research products and services from your account custodian and/or other brokerage firm. These products may include financial publications, information about particular companies and industries, research software, and other products or services that provide lawful and appropriate assistance to our firm in the performance of our investment decision-making responsibilities. Such research products and services are provided to all investment advisers that utilize the institutional services platforms of these firms and are not considered to be paid for with soft dollars. However, you should be aware that the commissions charged by a particular broker for a particular transaction or set of transactions may be greater than the amounts another broker who did not provide research services or products might charge.

Brokerage for Client Referrals

We do not receive client referrals from broker-dealers in exchange for cash or other compensation, such as brokerage services or research.

Directed Brokerage

Clients do not direct us to execute transactions through a specified broker-dealer.

Aggregated Trades

When investing in an ETF or stock position for several client accounts, a block trade can be utilized if it is considered to be beneficial to the clients' ability to obtain the best price. All block trades will be allocated by close of business on the day of the trade and all participating accounts will receive an equivalent price.

Mutual Fund Share Classes

HBCo primarily invests in DFA funds, which are institutional style asset-class specific funds. They typically offer a tax-managed version of each fund, which we use in taxable accounts to reduce taxes incurred by the client. If legacy mutual funds transfer in extremely low basis, we will review the share class to determine if a less expensive share class is available.

ITEM 13

Review of Accounts

Henry Bragg, CCO, will monitor your accounts on an ongoing basis, with assistance from Forum, to ensure cash is promptly invested and will conduct account reviews at least annually to ensure the advisory services provided to you are consistent with your investment needs and objectives. Additional reviews may be conducted based on various circumstances including but not limited to:

- contributions and withdrawals;
- year-end tax planning;
- market-moving events;
- security specific events; and/or
- changes in your risk/return objectives.

We will not provide you with regular written reports. You will receive trade confirmations and monthly or quarterly statements from your account custodian(s) or TPMM.

We offer annual client review meetings to determine if the investment advice provided is consistent with your investment needs and objectives.

ITEM 14

Client Referrals and Other Compensation

Charles Schwab & Co., Inc - Institutional

We receive an economic benefit from Schwab in the form of the support products and services it makes available to us and other independent investment advisors whose clients maintain their accounts at Schwab. You do not pay more for assets maintained at Schwab as a result of these arrangements. However, we benefit from the referral arrangement because the cost of these services would otherwise be borne directly by us. You should consider these conflicts of interest when selecting a custodian. The products and services provided by Schwab, how they benefit us, and the related conflicts of interest are described above (see Item 12—Brokerage Practices).

Refer to the Brokerage Practices section above for disclosures on research and other benefits we may receive resulting from our relationship with your account custodian.

We engage an independent promoter to provide client referrals over \$2 million. If a client is referred to us by the promoter, this practice is disclosed to the client in writing by the promoter, and we pay the promoter out of our own funds—specifically, we generally pay the promoter a portion of the advisory fees earned for managing the capital of the client that was referred. The use of this promoter is strictly regulated under applicable federal and state law.

We receive client referrals from Wealthramp, Inc. (“Wealthramp”) which is independent of and unaffiliated with us. Wealthramp does not supervise us and has no responsibility for our management of client portfolios or our other advice or services. We pay Wealthramp an ongoing fee for each successful client referral. This fee is a percentage of the advisory fee that the client pays to us. We will not charge clients referred through Wealthramp any fees or costs higher than our standard fee schedule offered to our clients.

ITEM 15

Custody

As paying agent for our firm, your independent custodian will directly debit your account(s) for the payment of our advisory fees. This ability to deduct our advisory fees from your accounts causes our firm to exercise limited custody over your funds or securities. We do not have physical custody of any of your funds and/or securities. Your funds and securities will be held with a bank, broker-dealer, or other qualified custodian. You will receive account statements from the qualified custodian(s) holding your funds and securities at least quarterly. The account statements from your custodian(s) will indicate the amount of our advisory fees deducted from your account(s) each billing period. You should carefully review account statements for accuracy.

We have standing letters of authorization to third parties to withdraw client funds maintained with a qualified custodian upon its instruction to the qualified custodian. According to the SEC, this means that we have custody of those clients’ assets and are required to comply with the Custody Rule. Because the SEC’s seven conditions have been met, a surprise exam is not required.

Trustee Services

Persons associated with our firm may serve as trustees to certain accounts for which we also provide investment advisory services. In all cases, the persons associated with our firm have been appointed trustee as a result of a family or personal relationship with the trust grantor and/or beneficiary and not as a result of employment with our firm. Therefore, we are not deemed

to have custody over the advisory accounts for which persons associated with our firm serve as trustee.

ITEM 16

Investment Discretion

Before we can buy or sell securities on your behalf, you must first sign our discretionary investment advisory agreement and the appropriate trading authorization forms.

You may grant our firm discretion over the selection and amount of securities to be purchased or sold for your account(s) without obtaining your consent or approval prior to each transaction. You may specify investment objectives, guidelines, and/or impose certain conditions or investment parameters for your account(s). For example, you may specify that the investment in any particular stock or industry should not exceed specified percentages of the value of the portfolio and/or restrictions or prohibitions of transactions in the securities of a specific industry or security. Refer to the Advisory Business section (Item 4) in this brochure for more information on our discretionary management services.

ITEM 17

Voting Client Securities

As a general rule, we do not vote proxies on behalf of your advisory accounts. If requested, we will offer you advice regarding corporate actions and the exercise of your proxy voting rights. If you own shares of applicable securities, you are responsible for exercising your right to vote as a shareholder.

In most cases, you will receive proxy materials directly from the account custodian. However, in the event we were to receive any written or electronic proxy materials, we would forward them directly to you by mail, unless you have authorized our firm to contact you by electronic mail, in which case, we would forward any electronic solicitations to vote proxies.

ITEM 18

Financial Information

Our firm does not have any financial condition or impairment that would prevent us from meeting our contractual commitments to you. We do not take physical custody of client funds or securities, or serve as trustee or signatory for client accounts, and we do not require the prepayment of more than \$1,200 in fees six or more months in advance. Therefore, we are not required to include a financial statement with this brochure.

We have not filed a bankruptcy petition at any time in the past ten years.