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Firm Brochure Part 2A

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This brochure provides information about the qualifications and business practices of Anchor Bay Capital, Inc. ("ABC"). If you have any questions about the contents of this brochure, please contact us at (760) 602-3470. The information in this brochure has not been approved or verified by the Unites States Securities and Exchange Commission or by any state securities authority.

Additional information about Anchor Bay Capital, Inc. is also available via the SEC's web site www.adviserinfo.sec.gov.

The use of the term registered investment adviser does not imply a certain level of skill or training.

Item 2 – Material Changes

Scott Spiering sold his ownership interest to the other owners effective October 1, 2025.

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Item 4 – Advisory Business

Anchor Bay Capital, Inc. ("ABC" or "the Adviser") was incorporated in 2006 and is a successor to Anchor Bay Capital Management, LLC (formed in 2001), itself a successor to Spiering Investment Management, LLC, formed in 1992.

The firm's principal owners are James Allen, Matt Large, and Tanner Wrisley.

Investment Management Services

ABC offers Investment Management Services ("IMS"). ABC implements its Investment Management Services by buying and selling stocks, bonds, mutual funds, Exchange-Traded Funds ("ETFs") and other investment securities in client accounts maintained at various custodians.

ABC constructs the portfolios by combining stocks, bonds and other securities that pass its selection criteria. The percent allocated to fixed income (increasing for lower risk portfolios) and equities (increasing for more aggressive portfolios).

To determine which securities meet its selection criteria, ABC conducts independent research (due diligence) to determine which stocks, bonds and other investment securities meet its criteria and in ABC's opinion offer the best risk/reward in isolation and as part of a diversified investment portfolio. ABCs due diligence process and investment selection criteria may vary depending on market conditions.

Clients may impose restrictions on the account regarding securities that may not be bought or sold. ABC will flag those assets and will maintain the asset in the account until instructed otherwise by the client.

ABC presents clients with model asset allocations based on their objectives, risk profile and financial status among other facts. The term model doesn't apply to portfolio holdings only the allocations. ABC offers the following model allocations:

Balanced ETF – Generally a 60% allocation to equities and 40% allocation to fixed income ETFs and bonds are maintained.

Growth ETF – Generally an 80% allocation to equities and 20% allocation to fixed income ETFs and bonds are maintained.

Conservative Individual Stocks – Generally a 45% allocation to individual stocks and 55% allocation to fixed income ETFs and bonds are maintained.

Moderate Growth Individual Stocks – Generally a 64% allocation to individual stocks and 36% allocation to fixed income ETFs and bonds are maintained.

Growth Individual Stocks – Generally a 79% allocation to individual stocks and 21% allocation to fixed income ETFs and bonds are maintained.

Strategic Income – Generally a 53% allocation to dividend and income producing stocks and 47% allocation to fixed income ETFs and bonds are maintained.
Investment Advisory Services are custom tailored specifically to the client. For Investment Management Services clients, the client's assets are invested in a portfolio consistent with the client's risk profile, which ABC determines based on the results of the Financial Plan or the Investment Adviser Representative's consultation with the client.

Retirement Plans

Adviser is being retained as an “investment manager” to the Client and the ERISA plan named above (Plan) as defined in the Employee Retirement Income Security Act of 1974 (as amended) (ERISA), Section 3(38). Adviser will make available to the Client a plan profile that will be utilized to develop a customized investment policy statement (IPS). The IPS will set forth the number of general investment options and asset class categories to be offered to Plan participants with a goal of providing a menu of investments that will allow for the creation of well-diversified portfolios designed to provide for long-term appreciation and capital preservation through a mix of equity and fixed income exposures.

The Adviser will provide investment advice to the Client about asset classes and investment alternatives available for the Plan in accordance with the Plan’s IPS, investment policies and objectives and will make initial selections of Plan assets in consultation with the Client. Adviser will assist in monitoring investment options by preparing periodic investment reports that document investment performance, consistency of fund management and conformance to the guidelines set forth in the IPS and will make recommendations to maintain or remove and replace investment options.

Adviser will meet with Client on a periodic basis to discuss the reports and the investment recommendations. Adviser will retain final decision-making authority with respect to removing and/or replacing investments and will be responsible for communicating instructions to any third-party, including the plan’s record keeper, custodian and/or third-party administrator.

If Plan portfolios designed by the Adviser contain assets that represent only a portion of the Plan's assets, the Client understands that the Adviser will have no responsibility for the diversification of assets outside of the portfolios for which the Adviser is responsible under the terms of the Agreement. The Adviser will have no duty, responsibility or liability for managing assets that are not included in these portfolios.

Investment Consulting

Retirement Plans

The Adviser will provide investment services pursuant to the Employee Retirement Income Security Act of 1974 (as amended) (ERISA), Section 3(21)(A)(ii) and will neither act as an investment manager nor have any discretionary authority over any assets that are invested in the Plan.

The Adviser will assist the Client in developing a plan profile that will be utilized to develop a customized investment policy statement (IPS). The IPS will set forth the number of general investment options and asset class categories to be offered to Plan participants with a goal of providing a menu of investments that will allow for the creation of well-diversified portfolios designed to provide for long-term appreciation and capital preservation through a mix of equity and fixed income exposures.
Client will have the ultimate responsibility and authority to establish such policies and objectives and to adopt and amend the IPS.

The Adviser will provide investment advice to the Client about asset classes and investment alternatives available for the Plan in accordance with the Plan’s IPS, investment policies and objectives. Client will have the final decision-making authority regarding the selection, retention, removal and addition of investment options.

Adviser will assist in monitoring investment options by preparing periodic investment reports that document investment performance, consistency of fund management and conformance to the guidelines set forth in the IPS and will make recommendations to maintain or remove and replace investment options.

Adviser will meet with Client on a periodic basis to discuss the reports and the investment recommendations.

The Client represents that the Adviser has been furnished with true and complete copies of all documents establishing and governing the plans and evidencing the Client's authority to retain the Adviser.

Client retains, and will exercise, final decision-making authority and responsibility for the implementation of any recommendations or advice rendered to Client by Adviser.

The Adviser may conduct participant group meetings and educate participants about plan investment alternatives.

Retirement Plan Participants

ABC will enter into a relationship with a client that wants ABC to provide investment planning on an ongoing basis; this may include but is not limited to investment selection, and investment monitoring services for assets held in an employer sponsored retirement plan. Services will be consistent with the investment objectives, risk profile and financial status of each client.

Wrap Fee Programs

At the present time ABC does not provide portfolio management services to wrap fee programs.

Assets Under Management

As of December 31, 2024, ABC had approximately $216,190,000 in discretionary assets under management and $2,102,055 in non-discretionary assets under management.

Financial Planning Services

Financial Planning Services include the preparation and presentation of a Financial Plan that projects future cash flow based on assumptions about growth of assets, which the client can use for retirement, budgetary and estate planning.

A financial plan also helps the client and ABC to determine the desired return on investments, a crucial element in the selection of an appropriate investment portfolio. A plan includes investment recommendations that the client may choose to adopt. If the client chooses to retain ABC to implement the investment recommendations, the client becomes an Investment Management Services client. If the client decides to hire a different investment manager, or to manage the investments on his or her own without the involvement of ABC, the client is billed on a fee for service basis for the Financial Plan and Consultation.

Financial Planning Conflicts of Interest

There is a potential conflict of interest because there is an incentive for the Adviser offering financial planning services to recommend products or services for which the Adviser or an associated person may receive compensation. However, financial planning clients are under no obligation to act upon any recommendations of the Adviser or to execute any transactions through the Adviser or an associated person if they decide to follow the recommendations.

Conflicts of Interest (California)

All material conflicts of interest under CCR Section 260.238 are disclosed regarding the investment adviser, its representatives or any of its employees, which could be reasonably expected to impair the rendering of unbiased and objective advice, are disclosed within this brochure.

Item 5 – Fees and Compensation

Investment Management Fees

Advisory Fees for Investment Management Services will range from .95% to 1.75% annually. Accounts in excess of $1,000,000 under management are typically charged a 1.20% annual management fee and the fee for accounts above $4,000,000 are generally 1.00% annually.

The types of investments in an account, number of accounts, the complexity of the client's financial situation, and the amount of additional time and resources required to address ongoing issues will impact the management fee. The agreed-upon fee schedule will be stated in the client's advisory agreement. ABC may group certain related client accounts for the purposes of determining the annualized fee.

Fee Payment Method

Clients will typically have their account directly debited, as authorized, in advance at the beginning of each calendar quarter. If the client account is custodied with Betterment, it will be directly debited at the end of each quarter in arrears. At the opening of the account, the management fee will be calculated, and the client will be billed based upon the value of the initial assets.

The calculation of quarterly fees will be based on the average daily balance during the previous quarter.

Retirement Plans

Fees range from 0.25% to 0.90% per year, and are negotiable based on the complexity and the time involved in the investment planning process, number of investment options available, and investment allocation and reallocation frequency.

These advisory fees are one part of a total plan fees for sponsoring a company plan, which typically include record keeping, third party administration and custody.

Fees are billed quarterly in advance and calculated based on the total value of the online access account assets as of the end of each month and added together for the quarter. Fees are billed to Third Party Administrator who deducts them from the Plan.

Investment Planning Fees

Retirement Plans

Fees range from 0.25% to 0.90% per year, and are negotiable based on the complexity and the time involved in the investment planning process, number of investment options available, and investment allocation and reallocation frequency.

These advisory fees are one part of a total plan fees for sponsoring a company plan, which typically include record keeping, third party administration and custody.

Fees are billed quarterly in advance and calculated based on the total value of the online access account assets as of the end of each month and added together for the quarter. Fees are billed to Third Party Administrator who deducts them from the Plan.

Retirement Plan Participants

Fees range from 0.50% to 0.75% per year, and are negotiable based on the complexity and the time involved in the investment planning process, number of investment options available, and investment allocation and reallocation frequency.

Fees are billed quarterly in advance and calculated based on the total value of the online access account assets as of the end of the previous quarter. Clients can have fees deducted from a designated account or can elect to be billed directly.

If fees are deducted from a designated account, the client must provide written authorization to the account custodian to have fees deducted and paid directly to ABC. At least quarterly, the account custodian will send account statements to clients that include a listing of advisory fees deducted.

Clients should review their account statement and verify appropriate fees are being deducted. If fees are billed directly to clients, they are due immediately upon receipt of ABC's billing invoice.

For California Residents: California Code of Regulations requires that all investment advisers disclose to their advisory clients that lower fees for comparable services may be available from other sources.

Financial Planning Service Fees

Financial Planning Services fees range from $500 to $2,500 payable by invoice or by deduction from a designated account with written authorization from the client. There is no charge for new clients with assets under management by the Adviser in excess of $250,000.

Financial Planning Services fees are payable in arrears and vary depending on the plan's complexity and the time involved in preparation of the plan. ABC estimates the number of hours the services will take and quotes a flat fee based on a multiple of $150 an hour but with a floor and a cap on fees. The Adviser will accept payments via credit card for financial planning services.

Additional Information Regarding Fees

Negotiability of Fees: In certain circumstances, all fees and minimums may be negotiable. In addition, certain family members and personal acquaintances of ABC's affiliated persons may receive advisory services at a discounted rate which is not available to advisory clients generally.

Additional Expenses: All fees paid to ABC for investment advisory services are separate and distinct from the fees and expenses charged by mutual funds, exchange traded funds and other investment and insurance products and services to their shareholders and customers. These fees and expenses are disclosed in each fund's prospectus and/or the service contract for the investment or insurance product or service. These fees will generally include a management fee, other fund expenses, a possible distribution fee, and a possible redemption fee. A client could invest in a mutual fund, exchange traded fund, or other investment or insurance product or service directly, without the services of ABC. In that case, the client would not receive the services provided by ABC which are designed, among other things, to assist the client in determining which mutual fund or funds are most appropriate to each client's financial condition and objectives.

Accordingly, the client should review both the fees charged by the funds and other investment and insurance products and services and the fees charged by ABC to fully understand the total amount of fees to be paid by the client, and to thereby evaluate the advisory services being provided.

In addition to ABC's advisory fees, clients are also responsible for the fees and expenses charged by custodians and imposed by broker dealers. Such fees may include, but are not limited to, any transaction charges, wire transfer fees, fees for mailing checks for next-day delivery, and fees for electronic data feeds and reports. Clients are also responsible for account aggregation fees for reporting valuation information for assets that are not managed by ABC.

Termination: Either party upon written notice to the other may terminate the client agreement. An advisory client will have a period of five (5) business days from the date of signing the investment advisory agreement to unconditionally rescind the agreement, terminate the agreement without penalty and receive a full refund of all advisory fees. Billing in Advance – Thereafter, either party may terminate the investment advisory agreement with 30 days written notice or by telephone. Upon termination, fees will be prorated to the date of termination and the unearned portion of the fee will be refunded to the client.

Billing in Arrears – Thereafter, either party may terminate the advisory agreement with 30 days written notice or by telephone. Since fees are payable only after services are provided, there are no unearned fees, and the client will not have a refund due upon early termination of the advisory agreement. However, the Adviser will prorate fees to the date of termination.

The Adviser will calculate the unearned management fees based on the date the termination notice was received plus the 30-day termination period. The Adviser will use the number of days the account was open during the billing period divided by the days in the billing period. The Adviser will send reimbursements checks to any clients that are due refunds.

Receipt of Additional Compensation

ABC Investment Advisor Representatives who are also Registered Representatives of Anchor Bay Securities, LLC and/or licensed insurance agents or brokers may receive commissions from the sale of mutual funds, annuities, life insurance and other investment or insurance products and services from Anchor Bay Securities LLC, and not Anchor Bay Capital. These commissions are separate from Investment Advisory Fees charged by ABC. ABC does not execute trades in accounts managed on a discretionary basis through Anchor Bay Securities. Furthermore, clients are not under any obligation to engage these individuals or Anchor Bay Securities, LLC when considering implementation of advisory recommendations.

While these individuals endeavor at all times to put the interest of clients first as part of ABC's fiduciary duty, clients should be aware that the receipt of additional compensation itself creates a potential conflict of interest.

The availability of a commission creates a financial incentive for an Investment Advisor Representative to recommend an investment or insurance product or service over another that does not provide a commission, even though the commission-free product or service might provide similar or superior benefit to the client. ABC requires that its Investment Adviser representatives abide by its Code of Ethics, which requires that the representative place client interests ahead of their own. Any violation of this code may result in termination of the representative.

One way that ABC guards against the possibility of a violation of its Code of Ethics is to require that Investment Management Services client portfolios be invested in one of the firm's portfolios, and by using no-load mutual funds in those portfolios, thereby preventing any potentially inappropriate recommendation to use a load fund that would pay the representative a commission.

Clients have the option to purchase investment and/or insurance products and services that ABC recommends through other brokers or agents that are not affiliated with ABC.

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

ABC and its supervised persons do not accept performance-based fees, that is, fees based on a share of capital gains or capital appreciation of the assets of a client.

Item 7 – Types of Clients

The Adviser provides advisory services to:

- Individuals – Trusts, estates, 401(k) plans and IRAs of a household count as one individual.
- High net worth individuals – An individual who is a “qualified client” under rule 205-3 of the Advisers Act of 1940 or is a “qualified purchaser”.
- Business entities such as corporations and including sole proprietorships
- Pension and profit-sharing plans including 401(k) plans (but not the plan participants)

Account Minimums

ABC generally prefers a minimum of $1,000,000 of assets under management to establish a new advisory relationship; however, the minimum may be waived at the sole discretion of the ABC. Certain related client accounts may be grouped for the purposes of achieving the minimum account size and determining the annualized fee.

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

Method of Analysis

ABC uses fundamental analysis of company financial statements; research from Standard & Poor's, Ford, Thompson/First Call, Morningstar, and other independent investment research providers, and publications including the Wall Street Journal, CFA Institute Financial NewsBrief and others to stay abreast of economic and financial developments that have an impact on ABC's investment decisions.

Mutual and Exchange Traded Funds

The Adviser recommends index and actively managed, mutual and exchange traded funds when designing client portfolios. The Adviser considers index funds based on how closely the funds’ characteristics mirror the indices they track. The Adviser analyzes actively managed funds by comparing funds that target the same market sector and have the same investment style using prospectuses and other sources of information. The Adviser reviews the following prior to recommending funds to clients:

- Rank in Category over various periods
- Return Rating
- Risk Rating
- 1, 3, 5-Yr. Returns
- Total Expense Ratios
- Net Assets
- Turnover

Public Equity

ABC considers a company's balance sheet, historical rate of growth of sales, earnings and EPS, dividend yield and other factors in its determination whether to include the company's stock in client portfolios.

Corporate Debt & Municipal Securities

The Adviser generally analyzes the current yield, yield to maturity, yield to call, call and default risks, and interest coverage. Debt is issued by federal, state and foreign governments and corporations to finance their operations. Debt represents their promise to repay the borrowed amount with interest according to the terms and conditions of the debt instrument. Debt obligations offer limited participation in the upside of a business. In exchange holders receive interest and a position that is generally senior to equity in a bankruptcy.

Investment Strategies

ABC constructs diversified portfolios by combining stocks, bonds and other securities that pass its selection criteria. The percent allocated to fixed income (increasing for lower risk portfolios) and equities (increasing for more aggressive portfolios). Stocks are diversified across sector and bonds are diversified across issuers and the total bond portfolio is managed to a target maturity consistent with ABC's opinion on the future direction of interest rates. ABC's due diligence process and investment selection criteria may vary depending on market conditions.

Risk of Loss

Clients are advised that investments are not guaranteed and there is a risk of loss. The value of stocks, bonds, mutual funds, exchange traded funds, and portfolios of these investments will fluctuate, and may be worth more or less than the original investment value at the time of sale.

Prices of individual stocks rise and fall based on company-specific factors including company guidance, analyst estimates, corporate governance, earnings releases, dividend increases and reductions, news, rumors and investor sentiment.

As baskets of individual stocks, the market values of equity mutual funds and ETFs will fluctuate with the overall stock market, and due to investment decisions and actions of the fund's portfolio manager. They will also be reduced by internal fees ("expense ratios"), trading costs, redemption fees and other expenses separate from ABCs Advisory fees. Mutual Fund values will also be impacted based on the fund's asset allocation and the stocks in which the fund is invested. To the degree the investments are correlated with the stock market, their market value will rise and fall with the overall stock market.

Bonds, bond mutual funds, bond ETFs and other fixed income securities will rise and fall with interest rates. A rise in the overall level of interest rates causes a decline in principal value of bonds, and a decline in interest rates causes an increase in value.

Additionally, individual bonds may face pricing spreads whereby, in the event of a bond sale the price offered by a dealer or other counterparty is less than the price quoted on the statement. Bonds also carry the risk of default by the issuer.

Item 8.A – Frequent Trading of Securities

The Adviser is not involved in the frequent trading of securities. Strategies involving frequent trading can affect investment performance, particularly through increased

brokerage costs, commissions, transaction costs and taxes. These additional costs can lower the value of investment gains and even principal.

Item 8.B – Material Risks of Particular Securities

The Adviser doesn't recommend any type of security that involves significant or unusual risks except for the following which may present material risks to investors:

Municipal securities – Municipal securities are backed by either the full faith and credit of the issuer or by revenue generated by a specific project (like a toll road or parking garage) for which the securities were issued. The latter type of securities could quickly lose value or even become virtually worthless if the expected project revenue does not meet expectations.

Variable annuities – Since compensation from VAs to a salesperson varies, there is a potential conflict of interest since there is an incentive to recommend a VA with a higher payout. VAs may be subject to:

- Taxes and federal penalties for early withdrawal
- Surrender charges for early withdrawal can last for several years
- Earnings taxed at ordinary income tax rates
- Mortality expense to compensate the insurance company for insurance risks
- Fees and expenses imposed for the subaccounts
- Other features with additional fees and charges
- Investment losses

ETFs – ABC does not recommend leveraged or inverse ETFs to clients.

Item 9 – Disciplinary Information

The Adviser does not have any disciplinary information to disclose.

Item 9.A – Criminal or Civil Actions

Neither the Adviser nor any management person has been found guilty of or has any criminal or civil actions pending in a domestic, foreign or military court.

Item 9.B – Administrative Proceedings

Neither the Adviser nor any management person has any administrative proceedings pending before the SEC, any other federal regulatory agency, any state regulatory agency, or any foreign financial regulatory authority.

Item 9.C – Self-Regulatory Organization ("SRO") Proceedings

Neither the Adviser nor any management person have been found by any SRO to have caused an investment-related business to lose its authorization to do business, or to have been involved in violating the SRO's rules, or were barred or suspended from membership

or from associating with other members, or were expelled from membership, otherwise significantly limited from investment-related activities, or fined.

Item 10 – Other Financial Industry Activities and Affiliations

Item 10.A – Broker-Dealer Registration

ABC has a related company, Anchor Bay Securities, LLC that is a broker-dealer. Anchor Bay Securities, LLC is not used as custodian for ABC client assets. The CRD number for Anchor Bay Securities, LLC is 47360.
ABC Management Persons are dually registered as Registered Representatives of Anchor Bay Securities, LLC. In their capacity as Registered Representatives of Anchor Bay Securities, LLC, ABC Management Persons may recommend products and services to ABC clients that result in commission payments to the Management Person, in their capacity as a Registered Representative of Anchor Bay Securities, LLC.

Such products and services include Variable Annuity products, Life Insurance products and company pension plans, such as 401(k), Defined Benefit and Profit-Sharing plans. Commission payments are disclosed to the client in the course of signing the client agreement.

A conflict of interests exists when a commission-based product is sold to an Advisory client, because the Management Person has incentive (the commission) to place his own interests (getting paid) ahead of the interest of the client (a properly diversified portfolio using the best investment vehicles). ABC requires its Management Persons to abide by its Code of Ethics, which prohibits any action that would result in material conflicts of interest.

Item 10.B – Futures Commission Merchant/Commodities

Neither the Adviser nor any management person is a commodity broker/futures commission merchant, a commodity pool operator, commodity trading advisor or an associated person for the foregoing entities; nor do they have any registration applications pending.

Item 10.C – Relationships with Related Persons

In addition, to being registered representatives and investment adviser representatives of Anchor Bay Securities, LLC and ABC respectively, certain associated persons are insurance agents appointed with various insurance companies.

Associated persons of the Adviser are tax preparers offering tax preparation and filing services. This represents a potential conflict of interest since Adviser clients are likely to be referred for tax preparation services if these services are determined to be necessary in conjunction with the services provided by the Adviser.

In these capacities associated persons of the Adviser may recommend securities, insurance, advisory services, tax preparation and filing services or other products, and receive commissions, fees and other compensation if products or services are purchased through any firms with which any associated persons are affiliated.

Thus, a potential conflict of interest exists between the interests of associated persons and those of the advisory clients. However, clients are under no obligation to act upon any of their recommendations or execute any transactions through them if they decide to follow their recommendations.

Item 10.D – Relationships with Other Advisers

ABC doesn't recommend or select other investment advisers for its clients. Neither the Adviser nor any of its management persons have any other material relationships or conflicts of interest with any related financial industry participants other than those discussed above.

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

Item 11.A – Code of Ethics

ABC has adopted a Code of Ethics for the purpose of instructing its personnel in their ethical obligations and to provide rules for their personal securities transactions. ABC and its personnel owe a duty of loyalty, fairness and good faith towards their clients, and the obligation to adhere not only to the specific provisions of the Code but to the general principles that guide the Code.

The Code of Ethics covers a range of topics including: general ethical principles, reporting personal securities trading, exceptions to reporting securities trading, reportable securities, initial public offerings, reporting ethical violations, distribution of the Code of Ethics, review and enforcement processes, amendments to Form ADV and supervisory procedures. ABC will provide a copy of the Code of Ethics to any client or prospective client upon request.

ABC Investment Advisers and Portfolio Managers recommend securities and buy and sell securities on a discretionary basis in client accounts. ABC Investment Advisers and other employees may transact in the same securities as those bought and sold in ABC client accounts, without restriction.

This will present a conflict of interest, in the event an ABC employee were to buy or sell the security for his own account before doing the transaction in a client account, if it were to result in the employee receiving better pricing (lower for a buy order, higher for a sell order) than the client. The ABC Code of Ethics and Policies and Procedures Manual require employees to place client interests ahead of their own.

Item 11.B – Participation or Interest in Client Transactions

Principal Trading

Neither the Adviser nor any affiliated broker-dealer affects securities transactions as principal with the Adviser's clients. Neither the Adviser nor any associated person acting as a principal, buys securities from (or sells securities to) clients, acts as general partner in a partnership in which Adviser solicits client investments or acts as an investment adviser to an investment company that the Adviser recommends to clients.

Personal Trading of Associates Affiliated with a Brokerage Firm

In their capacity as registered representatives or principals of Anchor Bay Securities, LLC associated persons of the Adviser may receive payments from certain mutual funds distributed pursuant to a 12b-1 distribution plan, or other such plans, as compensation for administrative services, representing a separate financial interest.

As such, a potential conflict of interest may exist with respect to recommendations to buy or sell securities. In all cases, recommendations are made in the best interests of the client. The Adviser does not permit insider trading and has implemented procedures to ensure that its policy regarding insider trading is being observed by associated persons.

Agency-Cross Action Transactions

Neither the Adviser nor any associated person recommends that clients buy from or sell securities to other clients.

Item 11.C – Personal Trading by Associated Persons

The Adviser recommends that clients invest in various types of assets. The Adviser and its associated persons may invest in the same types of assets. Permitted investments for associated persons are all asset classes.

See Item 11.D for information concerning conflicts of interest.

Item 11.D – Conflicts of Interest with Personal Trading by Associated Persons

Associated persons may own an interest in or buy or sell for their own accounts the same securities, which may be recommended to advisory clients. Associated persons seek to ensure that they do not personally benefit from the short-term market effects of their recommendations to clients and their personal transactions are regularly monitored.

Associated persons are aware of the rules regarding material non-public information and insider trading. Associated persons may also buy or sell a specific security for their own account based on personal investment considerations, which the Adviser does not deem appropriate to buy or sell for clients.

Item 12 – Brokerage Practices

Item 12.A – Factors in Selecting or Recommending Broker-Dealers

ABC will arrange for the execution of securities transactions for the client's account through brokers or dealers that ABC reasonably believes will provide best execution. In selecting a broker or dealer, ABC may consider, among other things, the broker or dealer's execution capabilities, reputation and access to the markets for the securities being traded. ABC generally will seek competitive commission rates but may not necessarily obtain the lowest possible commission for transactions for the Account.

The best net price, giving effect to brokerage commissions and other costs, is an important factor in this decision, but a number of other judgmental facts are important as well. These include knowledge of negotiated commission rates currently available; the nature of the security being traded; the size and complexity of the transaction; the desired timing of the trade; the activity existing and expected in the market for the particular securities; confidentiality; and the execution; clearance and settlement capabilities and other relevant and appropriate services of the broker or dealer.

Instead of allowing ABC to select brokers or dealers for the Account, clients may direct ABC in writing to use a particular broker or dealer to execute all transactions for the client's account. In that case, the client will negotiate terms and arrangements for the account with that broker or dealer, and ABC may not obtain better execution services or prices from other broker/dealers or be able to "batch" client transactions for execution through other brokers/ dealers with orders for other accounts managed by ABC.

As a result, the client may pay higher commissions or other transaction costs or greater spreads, or receive less favorable net prices, on transactions for the Account than would otherwise be the case and may not receive best execution.

Item 12.A1 – Research and Other Soft Dollar Benefits

ABC does not receive Soft Dollar benefits. We do not accept any form of compensation from a custodian as an inducement to bringing in new clients.

Item 12.A2 – Brokerage for Client Referrals

The Adviser does not refer clients to particular broker-dealers in exchange for client referrals from those broker-dealers.

Item 12.A3 – Directed Brokerage

The Adviser does not recommend or require that clients direct their brokerage business to any particular broker-dealer.

Item 12.B – Trade Aggregation

Transactions for each client account generally will be affected independently, unless ABC decides to purchase or sell the same securities for several clients at approximately the same time.

ABC may (but is not obligated to) combine or "batch" such orders to obtain best execution, to negotiate more favorable commission rates or to allocate equitably among ABC's clients' differences in prices and commissions or other transaction costs that might have been obtained had such orders been placed independently.

Under this procedure, transactions will be averaged as to price and transaction costs and will be allocated among ABC's clients in proportion to the purchase and sale orders placed for each client account on any given day.

Item 13 – Review of Accounts

Accounts are reviewed at least weekly via reports generated from ABCs portfolio management databases. On a daily basis the portfolio managers review asset allocation reports and rebalancing trade proposal reports to ascertain when accounts are out of balance with respect to the parameters that are defined by (1) the model portfolios and (2) tactical allocation determined by the investment committee. When the portfolio managers determine action is needed, the appropriate action (buying or selling securities) is taken to align the account with the portfolio model, adjusted to the current tactical allocation parameters.

James Allen is the primary reviewer of client accounts.

Item 14 – Client Referrals and Other Compensation

The Adviser does not have an arrangement under which it or its associated persons compensate others for client referrals. The Adviser doesn't receive any economic benefit for providing advisory services to clients from a person who is not a client.

Certain associated persons are registered representatives of a broker-dealer and insurance agents appointed with various insurance companies. In these capacities associated persons of the Adviser may recommend securities, insurance, advisory services, or other products, and receive commissions and other compensation if products are purchased through any firms with which any associated persons are affiliated.

Thus, a potential conflict of interest exists between the interests of associated persons and those of the advisory clients. However, clients are under no obligation to act upon any of their recommendations or execute any transactions through them if they decide to follow their recommendations.

Item 15 – Custody

Custody, as it applies to investment advisors, has been defined as having access or control over client funds and/or securities. Custody is not limited to physically holding client funds and securities. ABC does not directly hold any client funds or securities. ABC has established procedures to ensure all client funds and securities for which it provides asset management services are held at a qualified custodian (such as a broker/dealer or bank) in a separate account for each client under that client's name. Clients or an independent representative of the clients (other than an affiliated person of ABC) are also notified promptly, in writing, of the qualified custodian's name, address and the manner in which the funds or securities are maintained if an account is opened and following any changes. Clients receive statements, at least quarterly, from the broker/dealer, bank or other qualified custodian that holds and maintains client's investment assets. ABC urges clients to carefully review any reports received directly or available online. When clients have questions about their account statements, they should contact ABC or the qualified custodian preparing the statement.

Advisory clients have Standing Letters of Authorization ("SLOA") in place. SLOAs directs the disbursement of client funds to one or more third parties as specifically designated by the client.

Clients instruct account custodians to move money to third parties designated by the client in the SLOA. The Adviser's involvement is strictly limited by the terms of that instruction and the client retains full power to change or revoke the arrangement at any time.

The Adviser maintains SLOAs for the purpose of authorizing regular payments of advisory fees to be made from client custodial accounts.

The Adviser will periodically review fund transfer authorizations from client accounts and wire transfer destination information to ensure that transfers conform to the authority granted in the SLOAs.

Item 16 – Investment Discretion

ABC requires that clients grant ABC the discretionary authority to determine which securities and the amounts of securities that are to be bought or sold for the client's account(s). Such authority shall be granted in writing.

Should the client wish to impose reasonable limitations on this discretionary authority, such limitations shall be included in this written authority statement. Clients may change/amend these limitations as desired. Such amendments shall be submitted in writing.

Item 17 – Voting Client Securities

As a firm policy, Anchor Bay Capital, Inc. does not vote proxies on client positions. Clients who wish their proxies to be voted must do so themselves. Clients will receive proxies and other solicitations directly from their custodian or a transfer agent. Clients are welcome to contact ABC with any questions regarding proxies and other solicitations.

ABC will neither advise nor act on behalf of the client in legal proceedings involving companies whose securities are held in the client's account(s), including, but not limited to, the filing of "Proofs of Claim" in class action settlements.

Item 18 – Financial Information

ABC has no financial commitment that impairs its ability to meet contractual and fiduciary commitments to clients, and has not been the subject of a bankruptcy proceeding.

On May 5, 2020 the Adviser received a Paycheck Protection Program loan (PPP) of $138,500 through the Small Business Administration in conjunction with programs implemented by the United States government as a result of legislation designed to provide COVID 19 relief. The Adviser has used the PPP funds to continue payroll for firm personnel as well as to fund certain business expenses, in accordance with all of the terms and conditions of the lending agreement. Therefore, the Adviser expects to have the entire amount of the loan forgiven so there will not be any financial condition that is reasonably likely to impair the Adviser's ability to meet its contractual commitments to its clients.