SIZEMORE CAPITAL MANAGEMENT

Sizemore Capital Management LLC
Registered Investment Adviser
Form ADV Part 2A

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Amended: January 21, 2020
By Charles Lewis Sizemore, CFA

This brochure provides information about the qualifications and business practices of Sizemore Capital Management LLC. If you have any questions about the contents of this brochure, please contact us at (214) 265-6597 or info@sizemorecapital.com. The information in this brochure has not been approved or verified by the United States Securities and Exchange Commission or by any state securities authority.

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

Disclaimer: Registration as a Registered Investment Adviser ("RIA") does not imply a certain level of skill or training.

Material Changes

The material changes in this brochure from the last updating amendment of Sizemore Capital Management LLC on January 1, 2020 are described below. This list summarizes changes to policies, practices or conflicts of interests only.

- Sizemore Capital Management LLC Filed Form BDW on January 13, 2020, removing its registration as a Texas Dealer.

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Advisory Business

Sizemore Capital Management LLC ("SCM" or "the Firm") is a fee-based independent Registered Investment Advisory firm based in Dallas, Texas offering sophisticated investment advisory and money management services to individuals and institutions. The firm has been in operation since 2008 and is owned and supervised by Charles Lewis Sizemore, CFA. All accounts are managed on a discretionary basis.

As of December 31, 2019 total firm assets under management were approximately $91,225,001.

Services offered include:

- Money Management and Asset Allocation: managed accounts, stocks, bonds, options, mutual funds, and ETFs
- Alternative asset allocations
- Managed Futures / Options Strategies
- Custom portfolios for High Net Worth Individuals
- Retirement planning: Investment management of IRAs, Roth IRAs, SEP and SIMPLE IRAs, 401(k) plans, 401(k) rollovers, defined benefit plans
- Educational planning: Educational Savings Accounts (ESAs), 529 Savings Plans
- Tax-managed investing
- Accredited investor services: Allocations to hedge funds and other investments restricted to accredited investors
- Investment solutions for expatriate investors and foreign nationals
- Third-party money management for other financial advisors and wealth managers

Prior to investing, we will meet with the client(s) to discuss their financial circumstances, investment goals and objectives, and to determine their risk tolerance. We will ask the client(s) to provide statements summarizing current investments, income and other earnings, recent tax returns, retirement plan information, other assets and liabilities, wills and trusts, insurance policies, and other pertinent information.

Based on the information the client(s) share with us, we will analyze their situation and determine a strategy that is appropriate. The Firm selects and manages investment portfolios that are consistent with the client's willingness and ability to take risk and selects portfolios using CFA Institute guidelines.

Portfolio suitability for clients is determined based on the following factors:

- Return Expectation
- Risk Tolerance
- Liquidity Needs
- Time Horizon
- Tax Consideration
- Legal Constraints
- Unique Client Circumstances

All SCM portfolios carry the risk that is associated with investing in the capital markets.

Third Party Management

SCM also provides investment advisory services to other financial advisors and wealth managers.

Under these programs, we may:

- Assist in the identification of investment objectives
- Recommend specific investment style and asset allocation strategies
- Actively manage client accounts in consultation with the primary financial advisor.

SCM will provide our ADV Part 2 disclosure document to the financial advisors and wealth managers and to their clients.

Fees and Compensation

The Firm will receive a fee for financial advisory and management of the Portfolio based on the value of the Portfolio (including cash and equivalent items). The Firm's standard annual fee varies based on the strategies selected. The highest management fee currently charged is 2%, though this may be negotiated at the Firm's discretion and if agreed with Client in writing. The firm will also charge a performance fee of up to 20% in certain portfolios. Accounts subject to performance fees will generally have net worth requirements. See the following section, Performance-Based Fees, for additional information.

Certain alternative investments may be subject to a separate fee schedule, as agreed by client in the relevant subscription documents. Additionally, in cases where the Client maintains multiple accounts or multiple strategies under the Firm's management, the respective accounts may be assessed at different fee levels at Firm's discretion and with Client's consent (i.e. Client and Firm could hypothetically agree that the Firm may charge more for an actively managed account and less for an account employing a less active strategy.)

As specified in the Custodian's application and as agreed to by Firm and Client, fees may be debited directly from client account by Custodian, or the Firm may invoice the client directly at Client's request and Firm's discretion. Timing of fee calculation and collection may vary by Custodian. Accounts in custody at Interactive Brokers will generally have fees calculated and debited on a daily basis, as specified in account application and as agreed by Client, and based on ending daily account values. Accounts in custody at TD Ameritrade or other custodians or client assets not held by a custodian will generally have fees assessed quarterly based on account values at quarter end.

In all cases and with any Custodian, any client fees debited are clearly itemized in the monthly statements provided by the respective Custodian. Client acknowledges that the choice of Custodian and the frequency of assessment may have an effect on account performance over time.

As fees are paid in arrears (i.e. after services rendered), no refund of fees would be needed upon termination. In cases where a client relationship does not correspond to a calendar quarter (such as a new client starting mid-quarter or an existing client terminating mid-quarter), fees will be prorated accordingly.

SCM will not require a minimum account balance to initiate or continue investment advisory service, though client acknowledges that certain investment products may have minimums that are outside of the control of the SCM. Furthermore, certain investment strategies executed by SCM may require a minimum balance in order to minimize frictional costs to the client.

Either the client or SCM may terminate this Agreement at any time by telephone and confirmed in writing within five days, at which time any fee owed to SCM shall be paid by client on a prorated basis as of the effective date of the termination. Upon the SCM's receipt of written notice of termination from client, SCM shall immediately discontinue all trading (but may settle open transactions and execute additional trades upon instruction from client). SCM shall assist the custodians in the distribution of assets to clients.

SCM's fees do not include brokerage commissions, transaction fees, and other related costs and expenses. Clients may incur certain charges imposed by custodians and third party investment companies. These include fees charged by managers, custodial fees, deferred sales charges, odd-lot differentials, transfer taxes, wire transfer and electronic fund fees, and other fees and taxes on brokerage accounts and securities transactions. Hedge funds and other private investment vehicles, mutual funds, money market funds and exchange-traded funds (ETFs) also may charge internal management and performance fees, which are disclosed in the fund's prospectus. These fees may include, but are not limited to, a management fee, performance fees, and other fund expenses. Certain strategies offered by us may involve investment in mutual funds and/or ETFs. Load and no load mutual funds may pay annual distribution charges, sometimes referred to as "12(b)(1) fees". These 12(b)(1) fees come from fund assets, and thus indirectly from clients' assets. SCM does not receive any compensation from 12(b)(1) fees. All of the fees described above are in addition to the management fee paid to SCM. Clients should review all fees charged to fully understand the total amount of fees they will pay. Services similar to those offered by SCM may be available elsewhere for more or less than the amounts SCM charge. SCM is a fee-based adviser.

Under certain circumstances and subject to separate agreement by client, SCM may share fees with third party managers. All fee-sharing arrangements are disclosed to client and are done for the purpose of reducing the overall level of client fees. By entering into a fee-sharing arrangement, SCM will not need to charge client additional fees.

Performance-Based Fees

SCM may charge performance-based fees in accounts held by “qualified clients” meeting the requirements as laid out in Section 205(a)(1) of the Investment Advisers Act of 1940.

Types of Clients

The Firm provides investment advisory services, including financial planning and money management, to individuals, families, private funds and pension/profit sharing plans. Additionally, the firm may work in concert with other RIA firms in the role of third-party money manager.

Methods of Analysis, Investment Strategies and Risk of Loss

The Firm pursues multiple investment strategies that may be used individually or in concert with other investment strategies depending on the Client’s needs and objectives. The Firm may also create customized portfolios that do not correspond to a broader strategy, depending on the Client’s needs and objectives. The Firm’s strategies include the following:

Dividend Growth Portfolio

SCM’s Dividend Growth Portfolio seeks to generate a high and rising stream of income. Capital appreciation is a secondary objective, though the firm considers the S&P 500 to be a relevant benchmark. The Dividend Growth Portfolio will generally include all income-producing asset classes, including – but not limited to – dividend paying stocks, bonds, ETFs, closed-end funds, REITs and master limited partnerships.

The Dividend Growth Portfolio will generally have 20-30 stocks, making it a somewhat concentrated portfolio. As a general rule, the Firm will attempt to keep the volatility of the Dividend Growth portfolio close to that of the S&P 500.

In choosing investments for the portfolio, the firm utilizes primarily a contrarian value approach to portfolio management, attempting to allocate capital to securities and sectors that are priced attractively and offer a reasonable expected return for a given level of risk. All portfolios with equity exposure have the risk of loss—even permanent loss—due to changing market conditions or company financial performance. Though SCM does not take what it believes to be excessive risk, the risk of loss is always present when investing in the capital markets. Fixed income investments are subject to interest rate risk. Foreign securities may be subject to currency and regulatory risk.

SCM portfolio managers rely primarily on company financial statements, financial publications, and historical data in making investment decisions.

Quantitative Portfolios

The Firm manages a series of quantitative portfolios designed to control risk and grow capital over time by implementing three distinct but complementary mechanisms:

- Baseline beta equity exposure: The portfolio holds a long, baseline allocation consisting primarily of equity and bond ETFs.
- Artificial Intelligence (“AI”) alpha overlay: For each instrument, the model’s decision-making engine assigns a probability of a price decline the following day and may hedge the portfolio using futures contracts or by reducing the allocation to the long baseline portfolio.

- Meta-model back up: An ultra-diversified meta-model allocation is immediately available as an alternative allocation during times of market stress.

The quantitative portfolios will generally utilize traded ETFs, stocks, and futures contracts. Currently, the strategies are collectively referred to as “Hedged Beta.”

The quantitative portfolios involve the use of statistical modelling. In addition to the normal risks associated with any investment in the capital markets, some quantitative portfolios may additionally have the risk associated with borrowing on margin. Additionally, there is the risk inherent with the use of futures contracts. Tax efficiency is not a major consideration in the management of the quantitative portfolios.

In managing the quantitative portfolios, the Firm will utilize history price and volatility data, academic research and statistical modelling techniques.

Options Writing Strategy

The Firm may sell cash-secured put options on the S&P 500, the Nasdaq 100 or on other commonly-traded indexes or related products. The strategy attempts to profit from the normal “theta” time decay of options as they approach expiration. Additionally, the Firm may buy options or engage in spreads or other combination trades as a means of hedging or controlling risk. Options positions will generally be held for no more than 15 days but may be “rolled over” to the contracts of future months.

The firm uses a proprietary market risk model to help manage the risk of loss. The model analyses institutional money flows to determine the “quality” of a market move. As an example, a market move higher that was accompanied by significant institutional flows into equities could be considered a high-quality move and would indicate a positive macro backdrop for the execution of the options writing strategy. A move market move higher that was not accompanied by significant flows into equities could be considered a low-quality move and would indicate a higher-risk macro backdrop for the strategy.

Cash collateral may be invested in T-bills or other liquid, investment-grade, short-term debt instruments.

Sizemore Capital Management currently manages options-writing strategies under the names “Premium Income” and “R-Option.”

The firm may also engage in covered-call strategies.

Alternative Strategies

The Firm will utilize third-party managers and funds as part of a broad diversification strategy. The Firm will seek managers that have low historical correlations to the stock market and to other managers and strategies being utilized. Some alternative managers will only be available to accredited investors. As a general rule, these strategies are used for diversification purposes. In evaluating alternative managers and strategies, the Firm does extensive due diligence to evaluate the risks and the suitability for clients.

Risks

We cannot guarantee our analysis methods will yield a return. In fact, a loss of principal is always a risk. Investing in securities involves a risk of loss that you should be prepared to bear. You need to understand that investment decisions made for your account by us are subject to various market, currency, economic, political and business risks. The investment decisions we make for you will not always be profitable nor can we guarantee any level of performance.

A list of risks associated with the strategies, products and methodology we offer are listed below:

Bond Fund Risk

Bond funds generally have higher risks than money market funds, largely because they typically pursue strategies aimed at producing higher yields of the risks associated with bond funds include:

- Call Risk - The possibility that falling interest rates will cause a bond issuer to redeem—or call—its high-yielding bond before the bond's maturity date.
- Credit Risk — the possibility that companies or other issuers whose bonds are owned by the fund may fail to pay their debts (including the debt owed to holders of their bonds). Credit risk is less of a factor for bond funds that invest in insured bonds or U.S. Treasury bonds. By contrast, those that invest in the bonds of companies with poor credit ratings generally will be subject to higher risk.
- Interest Rate Risk — the risk that the market value of the bonds will go down when interest rates go up. Because of this, you can lose money in any bond fund, including those that invest only in insured bonds or Treasury bonds.
- Prepayment Risk — the chance that a bond will be paid off early. For example, if interest rates fall, a bond issuer may decide to pay off (or "retire") its debt and issue new bonds that pay a lower rate. When this happens, the fund may not be able to reinvest the proceeds in an investment with as high a return or yield.

Exchange Traded Fund (“ETF”) Risk

Most ETFs are passively managed investment companies whose shares are purchased and sold on a securities exchange. An ETF represents a portfolio of securities designed to track a particular market segment or index. ETFs are subject to the following risks that do not apply to conventional funds:

- The market price of the ETF’s shares may trade at a premium or a discount to their net asset value;
- An active trading market for an ETF’s shares may not develop or be maintained; and
- There is no assurance that the requirements of the exchange necessary to maintain the listing of an ETF will continue to be met or remain unchanged

Mutual Funds Risk

The following is a list of some general risks associated with investing in mutual funds.

- Country Risk - The possibility that political events (a war, national elections), financial problems (rising inflation, government default), or natural disasters (an earthquake, a poor harvest) will weaken a country's economy and cause investments in that country to decline.
- Currency Risk -The possibility that returns could be reduced for Americans investing in foreign securities because of a rise in the value of the U.S. dollar against foreign currencies. Also called exchange-rate risk.
- Income Risk - The possibility that a fixed-income fund's dividends will decline as a result of falling overall interest rates.
- Industry Risk - The possibility that a group of stocks in a single industry will decline in price due to developments in that industry.
- Inflation Risk - The possibility that increases in the cost of living will reduce or eliminate a fund's real inflation-adjusted returns.
- Manager Risk -The possibility that an actively managed mutual fund's investment adviser will fail to execute the fund's investment strategy effectively resulting in the failure of stated objectives.
- Market Risk -The possibility that stock fund or bond fund prices overall will decline over short or even extended periods. Stock and bond markets tend to move in cycles, with periods when prices rise and other periods when prices fall.
- Principal Risk -The possibility that an investment will go down in value, or "lose money," from the original or invested amount.

Stock Fund Risk

Overall "market risk" poses the greatest potential danger for investors in stocks funds. Stock prices can fluctuate for a broad range of reasons, such as the overall strength of the economy or demand for particular products or services.

Options Risk

Options carry unique risks to investors. Purchased call or put options may see losses of up to 100% of invested capital, and sold (written) call or put options theoretically have unlimited risk. A client could lose more than their original investment in an options writing strategy.

Alternatives Fund Risk

Alternatives funds may have additional risks associated with the specific instruments traded (i.e. options and futures contracts) and illiquidity risk. Additionally, there may be less publicly available information to evaluate certain alternative funds, particularly hedge funds and other private vehicles intended for accredited investors.

Overall Risks

Clients need to remember that past performance is no guarantee of future results. All funds carry some level of risk. You may lose some or all of the money you invest, including your principal, because the securities held by a fund goes up and down in value. Dividend or interest payments may also fluctuate, or stop completely, as market conditions change.

Before you invest, be sure to read a fund's prospectus and shareholder reports to learn about its investment strategy and the potential risks. Funds with higher rates of return may take risks that are beyond your comfort level and are inconsistent with your financial goals.

While past performance does not necessarily predict future returns, it can tell you how volatile (or stable) a fund has been over a period of time. Generally, the more volatile a fund, the higher the investment risk. If you'll need your money to meet a financial goal in the near-term, you probably can't afford the risk of investing in a fund with a volatile history because you will not have enough time to ride out any declines in the stock market.

Disciplinary Information

SCM is not currently subject to any disciplinary actions by state, federal or industry regulators, nor has the firm been subject to any historical disciplinary actions.

Other Financial Industry Activities and Affiliations

Sizemore Capital Management LLC is additionally registered as a Commodities Trading Advisor (CTA). Certain strategies – including the Hedged Beta and options-writing strategies – require the trading of exchange-traded futures contracts and futures options contracts, including commodities, index and currency futures and futures options. The Firm may also expand trading to include other futures contracts. For more information on Sizemore Capital Management's CTA operations, please request a copy of the Firm's Disclosure Document.

In addition to his responsibilities at Sizemore Capital Management, Charles Lewis Sizemore, CFA publishes the *Sizemore Insights* blog at www.charlessizemore.com. Additionally, Mr. Sizemore regularly produces articles and other content for various financial news sites, including, but not limited to, Yahoo Finance, InvestorPlace, Forbes, and MarketWatch.

Securities discussed in these publications will often times be owned by Sizemore Capital Management clients. However, Sizemore Capital Management's policies and procedures concerning brokerage practices and participation apply here, and no conflicts of interest exist. Mr. Sizemore discloses any ownership or interest in any security mentioned in his publications and does not engage in any trading behavior that would be considered unethical or illegal.

In 2015, Sizemore Capital Management signed an investment advisory agreement with McCann Wealth Strategies, Inc. ("MWS"), a registered investment adviser based in State College Pennsylvania. Sizemore Capital

Management advises MWS on the allocation and management of MWS client portfolios in the role of a third-party manager. The portfolios managed for MWS are substantially similar to those managed for SCM clients.

Charles Sizemore joined the team of Dent Research in 2014 to assist in the writing and publication of *Peak Income* and other publications.

Publishing activities take a substantial amount of Mr. Sizemore's time, though much of the time spent researching securities and investment opportunities overlaps with the research done in managing client accounts at Sizemore Capital Management. Sizemore Capital Management and Mr. Sizemore believe that his financial publishing activities strengthen the quality of his management at Sizemore Capital Management and in no way adversely affect Sizemore Capital Management clients.

In 2016 Charles Sizemore became a director of Capital Park SPC, an exempted company incorporated with limited liability and registered as a segregated portfolio company under the laws of the Cayman Islands and registered as a mutual fund under the Mutual Fund Law (as amended) of the Cayman Islands. Capital Park has owners in common with Bank Advisory Group Securities, LLC, the general partner of the BAG Securities Fund, LP. Mr. Sizemore is responsible for helping to select managers for Capital Park's Alpha segregated portfolio. Mr. Sizemore receives no payment for his role as a director, though Sizemore Capital Management acts as a solicitor for Capital Park and for the BAG Securities Fund, LP.

Additionally, by separate agreement, Sizemore Capital Management serves as Trading Advisor to the BAG Securities Fund, LP Series A, Series E and Series H segregated portfolios.

By serving as a director of Capital Park, Mr. Sizemore is better able to monitor and influence the management of the fund, which he believes is in the best interest of his clients. Mr. Sizemore believes this arrangement benefits Sizemore Capital Management clients and in no way creates conflicts of interest or adversely affect Sizemore Capital Management clients. However, this relationship is disclosed to all clients prior to investing.

For a longer description of Sizemore Capital Management's relationship with BAG Securities Fund, LP and Capital Park SPC please see Other Relationships below.

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

Sizemore Capital Management, LLC (the "Firm") has adopted the **CFA Institute's Asset Manager Code of Professional Conduct** (the "Code"), which outlines the ethical and professional responsibilities of firms that manage assets on behalf of clients, as the Firm's code of ethics. Per the Code, managers must:

1. Act in a professional and ethical manner at all times
2. Act for the benefit of clients
3. Act with independence and objectivity
4. Act with skill, competence, and diligence
5. Communicate with clients in a timely and accurate manner
6. Uphold the rules governing capital markets

Regarding compliance procedures, the Code requires that the Firm:

1. Develop and maintain policies and procedures to ensure that their activities comply with the provisions of this Code and all applicable legal and regulatory requirements
2. Appoint a compliance officer responsible for administering the policies and procedures and for investigating complaints regarding the conduct of the Manager or its personnel
3. Ensure portfolio information provided to clients by the Manager is accurate and complete and arrange for independent third-party confirmation or review of such information
4. Maintain records for an appropriate period of time in an easily accessible format.
5. Employ qualified staff and sufficient human and technological resources to thoroughly investigate, analyze, implement, and monitor investment decisions and actions

6. Establish a business-continuity plan to address disaster recovery or periodic disruptions of the financial markets

Additionally, the Firm has adopted the **CFA Institute's Code of Ethics and Standards of Professional Conduct,** as explained and elaborated in the CFA Institute's *Standards of Practice Handbook,* as the governing compliance standard for all firm personnel with financial advisory or investment management responsibilities.

Per the CFA Institute,

The CFA Institute Code of Ethics and Standards of Professional Conduct (Code and Standards) are fundamental to the values of CFA Institute and essential to achieving its mission to lead the investment profession globally by setting high standards of education, integrity, and professional excellence. High ethical standards are critical to maintaining the public's trust in financial markets and in the investment profession. Since their creation in the 1960s, the Code and Standards have promoted the integrity of CFA Institute members and served as a model for measuring the ethics of investment professionals globally, regardless of job function, cultural differences, or local laws and regulations. All CFA Institute members (including holders of the Chartered Financial Analyst® (CFA®) designation) and CFA candidates must abide by the Code and Standards and are encouraged to notify their employer of this responsibility. Violations may result in disciplinary sanctions by CFA Institute. Sanctions can include revocation of membership, candidacy in the CFA Program, and the right to use the CFA designation.

Members of CFA Institute (including Chartered Financial Analyst® [CFA®] charterholders) and candidates for the CFA designation ("Members and Candidates") must:

1. Act with integrity, competence, diligence, respect, and in an ethical manner with the public, clients, prospective clients, employers, employees, colleagues in the investment profession, and other participants in the global capital markets.
2. Place the integrity of the investment profession and the interests of clients above their own personal interests.
3. Use reasonable care and exercise independent professional judgment when conducting investment analysis, making investment recommendations, taking investment actions, and engaging in other professional activities
4. Practice and encourage others to practice in a professional and ethical manner that will reflect credit on themselves and the profession.
5. Promote the integrity of, and uphold the rules governing, capital markets.
6. Maintain and improve their professional competence and strive to maintain and improve the competence of other investment professionals.

The CFA Institute's **Asset Manager Code of Professional Conduct** and the **Code of Ethics and Standards of Professional Conduct** will outline the fundamental principles under which the Firm operates. The Firm will also operate in compliance with the SEC, the Texas State Securities Board and other state regulatory agencies as applicable. In all cases of discrepancy between regulatory bodies or between the CFA Institute standards and a regulatory body, the Firm will adhere to the stricter of the two requirements.

Participation or Interest In Client Transactions

SCM personnel are encouraged to have interests in the securities traded for clients; the firm takes the view that an investment manager should have "skin in the game" by owning the same securities purchased for clients. However, SCM personnel will never be given preference over clients; where possible, via block trading, firm personnel will share average pricing with clients. Assets of SCM members or employees may be traded within the model portfolios used for client accounts or may be individually traded after client accounts, but under no circumstances may member or employee accounts be traded before client accounts if there is a reasonable possibility that doing so will have an adverse effect on client trade pricing or performance. Front running is strictly prohibited.

Under no circumstances will SCM personnel act as counterparty to a client trade.

Brokerage Practices

SCM will use brokers that it believes best serve the client in terms of cost, execution and other features. Client may choose a different broker at their discretion if agreed by SCM.

Securities purchased by SCM at SCM's discretion on behalf of clients must be fairly distributed among accounts with comparable risk tolerances for which the securities would be appropriate. No client or set of clients may be favored over other clients.

All attempts will be made to allocate trades in an equitable manner whenever possible through the use of block trading in which all clients get the average execution price for the block. When accounts must be traded individually, all attempts must be made to ensure that all clients receive a fair execution price, and no client may be systematically favored over another.

Furthermore, "front running" by SCM personnel is strictly prohibited. Assets of SCM members or employees may be traded within the model portfolios used for client accounts or may be individually traded after client accounts, but under no circumstances may member or employee accounts be traded before client accounts if there is a reasonable possibility that doing so will have an adverse effect on client trade pricing or performance.

Insider trading, defined here as taking any investment action on the basis of material nonpublic information, is strictly prohibited by Firm personnel, in both personal and client accounts. Furthermore, Firm personnel may not use any client confidential information as the basis for personal trades or trades for other non-related clients.
SCM has no "soft dollar" relationships in place. SCM receives no sales commissions, though SCM will, in certain cases, engage in fee sharing arrangements. Fee sharing arrangements would apply only to certain accredited investor investments, and client must consent in writing before any such arrangement can go into effect.

The governing regulations for trading and priority of transactions will be the stricter of the CFA Institute guidelines or the applicable state or federal regulations.

Review of Accounts

Client accounts are reviewed monthly, and a comprehensive review and interview with the client—either in person or by phone—is done annually. All reviews are conducted by Charles Sizemore, Chief Investment Officer. SCM may also review account more frequently if extreme or unusual market conditions warrant. Clients will receive regular monthly statements from account custodian and should review their statements for accuracy.

Client Referrals and Other Compensation

Sizemore Capital Management, in addition to its role as an investment advisory practice for individuals and families, will also serve in the role of third-party money manager for other registered investment advisory firms. In these instances, SCM will be paid by the other RIA firm or through the custodian; the client will not be billed by SCM directly. SCM currently has such an arrangement in place with Covestor, an SEC-registered investment advisor.

Sizemore Capital Management has executed a Portfolio Manager Licensing Agreement with Covestor Limited. Covestor Limited (doing business as Interactive Brokers Asset Management) is an SEC-registered investment adviser affiliated with Interactive Brokers LLC, the broker and custodian for some of our client accounts. Pursuant to that agreement, Sizemore Capital Management provides certain trading activity information regarding the trading in a firm-owned IB brokerage account to Covestor. The portfolio manager of Sizemore Capital Management trades that account in accordance with a specific investment strategy. Based on this trading data, Covestor creates a portfolio discussed on its website, which its clients Covestor Ltd. dba Interactive Brokers Asset Management December 2017 may invest in, based on their suitability profile. Subject to its own trading rules and the investment restrictions specified by its clients, Covestor mirrors the trading activity in the portfolio manager's brokerage account into the accounts of investing clients in accordance with its proprietary replication logic. Neither Sizemore Capital Management nor its portfolio manager offer any personalized investment advice to Covestor clients, have discretionary trading authority over Covestor clients' accounts, or know the identity or suitability profile of those clients and therefore has no clients or assets under management pursuant to this arrangement. Covestor has agreed to compensate the portfolio manager under the Portfolio Manager License Agreement for licensing this trading data to Covestor. At this time, Covestor charges its clients wishing to invest in the Sizemore Capital Management strategies 1% to 1.5% of gross market value of assets invested with the strategy. The Dividend Growth model is subject to a 1.5% management fee whereas the Strategic Growth Allocation is subject to a 1% management fee. In accordance with the Portfolio Manager Licensing Agreement, Covestor retains 0.25% of the fee charged to its clients and remits the remainder of the 1.5% or 1% fee associated with the two portfolios offered by Sizemore Capital Management.

Custody

SCM does not have physical custody of any accounts or assets. TD Ameritrade, Interactive Brokers, Millennium Trust Company, or other custodians (hereinafter referred to as the "Custodians") may be appointed under separate agreements to hold as custodian all assets of client portfolios, together with all additions, substitutions, and alterations thereto. The Client and the Firm will mutually choose the custodian or custodians best suited to the Client's needs, taking into consideration trading costs, margin costs, investments available at each custodian and other considerations. The Client agrees to instruct the Custodians to honor all instructions from the Firm with respect to the Portfolio. The Custodians shall at all times be responsible for the physical custody of all assets held in such custodianship, and for the collection of interest, dividends and other income attributable thereto. The Firm shall have no liability for any acts or omissions of any Custodians or Administrator. Client instructs and authorizes the Firm to disclose such information regarding the Portfolio to any Custodian or Administrator as may be reasonably requested by them in furtherance of their duties. SCM operates under a limited power of attorney that authorizes trading on the client's behalf and authorizes the payment of fees.

Investment Discretion

All accounts managed by SCM are discretionary, though SCM will make specific exceptions to trade securities requested by client on a case by case basis. SCM assumes discretionary authority only after client has signed the appropriate paperwork with the custodian in question and custodian has notified SCM. SCM additionally requires a signed advisory agreement from client.

Voting Client Securities

Unless specifically requested to do so by client, the Firm will not vote proxies on client's behalf. The voting of proxies remains the client's prerogative. At the Client's request, proxy materials and other company communications may be sent to the Firm's offices.

Financial Information

Sizemore Capital Management does not receive prepayment of any client fees; all fees are paid in arrears.

We have no financial commitment that would impair our ability to meet any contractual and fiduciary commitments to you, our client. We have not been the subject of any bankruptcy proceedings.

Requirements for State Registered Advisors

Principals

There is one principal, Charles Sizemore, CFA, born June 3, 1977 in Dallas, TX. His education information, business background, and other business activities can be found in the Form ADV Part 2B Brochure Supplement.

Phillip Guerra, DO, is an Investment Adviser Representative of SCM. His education information, business background, and other business activities can be found in the Form ADV Part 2B Brochure Supplement.

Sonia Joao is an Investment Adviser Representative of SCM. Her education information, business background, and other business activities can be found in the Form ADV Part 2B Brochure Supplement.

Performance Fees

SCM may charge performance-based fees in accounts held by “qualified clients” meeting the requirements as laid out in Section 205(a)(1) of the Investment Advisers Act of 1940. The maximum performance fee charged is 20%.

Disclosable Events

Neither SCM nor any principals have any reportable events to disclose here.

Other Relationships

Sizemore Capital Management serves as the investment adviser to the Blue Orbit Capital Fund I, LP (the “Fund”). The Fund’s general partner, Blue Orbit Capital Management LLC, has its owner in common with Sizemore Capital Management. Charles Sizemore is the sole owner of both entities.

The Firm believes that Mr. Sizemore’s involvement in both companies constitutes no material conflict of interest. Sizemore Capital Management clients that meet the net worth requirements of the Fund are generally permitted to invest in the Fund if it is consistent with their risk tolerances, liquidity needs and other suitability considerations.

As previously disclosed, Charles Sizemore is a director of Capital Park SPC, an exempted company incorporated with limited liability and registered as a segregated portfolio company under the laws of the Cayman Islands and registered as a mutual fund under the Mutual Fund Law (as amended) of the Cayman Islands. Capital Park has owners in common with Bank Advisory Group Securities, LLC, the general partner of the BAG Securities Fund, LP. Mr. Sizemore is responsible for helping to select managers for Capital Park’s Alpha segregated portfolio. Mr. Sizemore receives no payment for his role as a director.

Additionally, by separate agreement, Sizemore Capital Management serves as Trading Advisor to the BAG Securities Fund, LP Series A, Series E and Series H segregated portfolios.

With respect to the BAG Securities Fund, LP Series H, there are no material conflicts of interest and no redundancy in fees.

With respect to the BAG Securities Fund LP Series A and Series E, there is a potential conflict of interest, though the Firm believes it to be immaterial. Sizemore Capital Management manages a single account for BAG Securities Fund, LP Series A and E worth approximately $3.3 million as of 12/31/2019. The firm receives a management fee of a flat 1% per annum of assets managed. Thus, in situations in which Sizemore Capital Management advises clients to invest in the BAG Securities Fund Series A or E, the Firm is directing its clients to a fund from which it received compensation, albeit compensation in the form of management fees. Based on the size of the BAG Securities Fund, LP, we believe any potential conflict of interest to be immaterial. As of 12/31/2019, the BAG Securities Fund, LP Series A and E had approximately $110 million under management. This means that the Firm manages approximately 3% of the total AUM of BAG Securities Fund, LP Series A and E.

In a hypothetical client investment of $100,000 in the BAG Securities Fund, LP Series A and E, the management fees remitted to Sizemore Capital Management would be approximately $30 per year.