



A WSFS COMPANY

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**March 26, 2024**

FORM ADV PART 2A BROCHURE

This Brochure provides information about the qualifications and business practices of Bryn Mawr Capital Management, LLC (“us”, “we”, “Bryn Mawr Capital Management”, or “BMCM”). If you have any questions about the contents of this brochure, please call us at (215) 731- 1820. The information in this brochure has not been approved or verified by the United States Securities and Exchange Commission (“SEC”) or by any state securities authority. Bryn Mawr Capital Management, LLC is an SEC registered investment adviser. Registration as an investment adviser does not imply a certain level of skill or training. Additional information about Bryn Mawr Capital Management, LLC is also available on the SEC’s website at [www.adviserinfo.sec.gov](http://www.adviserinfo.sec.gov).

**Item 2: Material Changes**

Registered investment advisers are required to amend their Form ADV 2A Brochure to disclose any material changes. If there are material changes, the adviser must provide you with a description or summary of the material changes. Since our last annual updating amendment filing, dated February 3, 2023, the material changes are outlined below:

- As of July 1, 2023, certain associates of the WSFS d/b/a Bryn Mawr Trust located in the Greenville office merged into BMCM.
- We have clarified that our website address is <https://www.bmt.com/bmcm>.
- We have updated the brochure to include disclosures regarding rollover recommendations. Additionally, to ensure compliance with the DOL's Prohibited Transaction Exemption 2020-02 ("PTE 2020-02"), we have updated the brochure to include our Written Acknowledgment of Fiduciary Status. For more information on these topics, refer to Item 4 – *Disclosure Regarding Rollover Recommendations*.
- We have added the following services: *Financial Planning* and *Retirement Plan Fiduciary and Advisor Services*. For more information on these services and their associated fees, refer to Items 4 and 5.
- We have updated the brochure to include our *Participant Account Management* service. This service entails the discretionary management of your held-away defined contribution plan assets, wherein we review the account allocation and rebalance as necessary. For detailed information about this service and the associated fees, refer to Items 4 and 5. The Adviser has no authority to move money from the participant's account and does not require the participant's login credentials to effect trades. As such, we are not deemed to have custody over participant account(s). Refer to Item 15 regarding custody.
- Certain legacy accounts may have different fee arrangements, including a different fee schedule. The specific terms of these arrangements are governed by your advisory agreement. Refer to Item 5.
- Additionally, we have updated the brochure to include the additional and risks of loss associated with *Inverse/Enhanced Market Strategies* and *Covered Call Writing*. For more information on these risks, refer to Item 8.
- We have updated the brochure to disclose that we may also recommend the brokerage and custodial services of Pershing Advisor Solutions, LLC, a BNY Mellon Company ("Pershing"), a registered broker-dealer, Member SIPC/NYSE. For more information, please refer to Item 12.
- We have revised Item 13 to disclose that BMCM only provides concurrent reports upon request. Otherwise, you will receive your monthly and/or quarterly statements directly from the custodian. We encourage clients to carefully review custodial statements for accuracy and promptly report any discrepancies directly to the custodian.
- We have updated our brochure to disclose our referral arrangements with non-affiliated persons. For more information on this topic, including conflicts of interest, refer to Item 14.
- We have updated our brochure to disclose that BMCM has custody over client accounts where bill pay authority has been granted. Client accounts with bill pay authorization are subject to an annual surprise examination by an independent public accountant. Additionally, we are deemed to have custody due to our standing letters of authorization ("SLOA") to transfer money from certain clients'

accounts to one or more third-party accounts. However, client accounts with SLOA are not subject to the annual surprise examination, if we comply with the seven conditions outlined in Item 15. Lastly, we updated this section to disclose that our ability to deduct advisory fees from your account(s) causes us to exercise limited custody over your assets. However, we do not physically hold your assets; instead, they are held by a qualified custodian. The qualified custodian will send you regular statements, either by mail or electronically, detailing the deducted fees. You should carefully review your statement for accuracy and promptly report any discrepancies directly to the qualified custodian. For more information on this on custody, refer to Item 15.

- We have updated the *Voting Client Securities* section to disclose that BMCM has engaged a third-party vendor to vote in accordance with the Glass Lewis Investment Manager Thematic guidelines. These guidelines are designed to maximize returns for investment managers by aligning voting decisions with the manager's active investment decision-making. Additionally, we no longer distribute the BMCM Proxy Voting Policies and Procedures annually. However, clients can still request a copy. For more information on this topic, refer to Item 17.

A summary of material changes to this and subsequent brochures will be made available to you within 120 days of the close of our business' fiscal year. We will provide you with additional updates or other disclosure information at other times during the year in the event of a material change in our business as required by applicable regulation.

You may request the most recent version of this brochure, free of charge by contacting us at 215-731-1820. Additional information about the Firm is also available via the SEC's website, [www.adviserinfo.sec.gov](http://www.adviserinfo.sec.gov). The SEC's website also provides information about any persons affiliated with Bryn Mawr Capital Management, LLC who are registered, or are required to be registered, as investment adviser representatives of Bryn Mawr Capital Management, LLC.

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## Item 4: Advisory Business

Bryn Mawr Capital Management, LLC (“BMCM”) (formerly named WSFS Capital Management, LLC d/b/a West Capital Management) was formed in 2016 to offer a variety of investment advisory services, including financial planning and investment management. It is a wholly-owned subsidiary of WSFS Financial Corporation (“WSFS”). WSFS is a publicly-held bank holding company.

BMCM provides financial planning, consulting, and investment management services. The firm works with its clients to develop a wealth plan that is customized to the clients’ goals and investment objectives. Prior to engaging BMCM to provide investment advisory services, the client is required to enter into a written agreement with BMCM setting forth the terms and conditions under which BMCM renders its services (the “Agreement”).

In addition, BMCM serves as sub-adviser, providing investment management services to certain accounts at WSFS Bank’s Wealth division and other unaffiliated trust companies and/or SEC registered investment advisers. BMCM manages these accounts in accordance with the investment policy statement provided to BMCM by WSFS Bank, other trust companies and/or registered investment advisers.

As of the close of business on December 31, 2023, BMCM had regulatory assets under management of \$3,035,760,870 of which \$2,908,146,729 were managed on a discretionary basis and \$127,614,141 were managed on a non-discretionary basis. In addition, BMCM had assets under advisement totaling \$360,524,594.

### **Co-Advisory Relationship with WSFS Bank**

On January 25, 2019, we entered into a co-advisory relationship with our affiliate, WSFS Bank, under which WSFS Bank can recommend that a prospective advisory client enter into a tri-party investment advisory agreement between WSFS Bank, us and the client. In this arrangement, WSFS Bank provides certain non-discretionary advisory and other services to the co-advised client, and BMCM provides ongoing discretionary advisory services to the client. More specifically, WSFS Bank conducts an assessment of a prospective client’s needs to determine whether professional money management services are appropriate for clients, and whether BMCM would be an appropriate adviser for prospective advisory clients.

At the onset of the relationship, the potential co-advised client will receive and sign a disclosure statement. The disclosure statement describes the terms of compensation WSFS Bank will receive, acknowledges the receipt and review of BMCM’s Form ADV Part 2A, 2B, and Form CRS and acknowledges the receipt and review of BMCM’s and WSFS’s privacy policy. WSFS Bank is required to complete an assessment of each co-advised client. In addition, each co-advised client is required to enter into a tri-party Investment Advisory Agreement with WSFS Bank and BMCM. Under this agreement, BMCM is responsible for investing and reinvesting the client’s assets, on a discretionary basis. Co-advised clients are permitted to impose reasonable restrictions on the management of their advisory accounts. In addition, co-advised clients are responsible for informing BMCM when changes occur in a client’s personal or financial circumstances that may have a bearing on the manner in which assets are invested. WSFS Bank is responsible for attempting to contact co-advised clients to discuss a client’s satisfaction with, and the suitability of, the services provided by us within 90 days from acceptance of the Investment Advisory Agreement and relevant disclosures and at least annually thereafter.

## **Investment Management Services**

Clients can engage BMCM to manage all or a portion of their assets on a discretionary or non-discretionary basis. As part of these services, BMCM provides its clients with certain financial planning or consulting services based on the clients' needs. These financial planning and consulting services typically include services such as estate planning, retirement planning, investments, education, and cash flow needs of the client.

As detailed in Item 8, the firm allocates clients' investment management assets among Independent Managers (as defined below) and various investment strategies in accordance with the investment objectives of the client. However, BMCM can provide advice about any type of investment held in clients' portfolios. If appropriate, BMCM may recommend that clients who are "accredited investors" as defined under Rule 501 of the Securities Act of 1933, as amended, invest in private placement securities, which may include debt, equity, and/or pooled investment vehicles when consistent with the clients' investment objectives. BMCM utilizes various alternative platform providers, when appropriate, to assist in the selection of privately offered securities (please see Item 8 for more detail).

BCMC tailors its advisory services to the individual needs of clients. As detailed in Item 8, BMCM consults with clients initially and on an ongoing basis to develop an investment policy statement which determines risk tolerance, time horizon and other factors that may impact the clients' investment needs. BMCM ensures that clients' investments are suitable for their investment needs, goals, objectives, and risk tolerance.

Clients are advised to notify BMCM promptly if there are changes in their financial situation or investment objectives or if they wish to impose any reasonable restrictions upon BMCM's management services. Clients may impose reasonable restrictions or mandates on the management of their account if, in BMCM's sole discretion, the conditions will not materially impact the performance of a portfolio strategy or prove overly burdensome to its management efforts.

## ***Discretionary Participant Account Management***

As part of our Investment Management services, we utilize a third-party platform to facilitate the discretionary management of held away assets such as defined contribution plan participant accounts. Adviser will review the current account allocations. When deemed necessary, Adviser will rebalance the account considering client investment goals and risk tolerance, and any change in allocations will consider current economic and market trends. The goal is to improve account performance over time, minimize losses during difficult markets, and manage internal fees that harm account performance. Client account(s) will be reviewed at least quarterly and allocation changes will be made as deemed necessary.

## **Use of Independent Managers**

As mentioned above, BMCM determines if it is appropriate for clients to authorize the active discretionary management of a portion of their assets by and/or among certain independent investment managers ("Independent Managers"), based upon the stated investment objectives of the client. The terms and conditions under which the client engages the Independent Managers are set forth in a separate written agreement between BMCM and the client under which BMCM is authorized to designate Independent Manager(s). BMCM provides the service of selecting Independent Managers. BMCM also monitors and reviews the account performance and the client's investment objectives.

In addition to BMCM's written disclosure brochure, the client also receives the written disclosure brochure of the designated Independent Managers. Certain Independent Managers may impose more

restrictive account requirements and varying billing practices than BMCM. In such instances, BMCM will likely alter its corresponding account requirements and/or billing practices to accommodate those of the Independent Managers.

### **Financial Planning**

Through the financial planning process, we work with our clients to determine their short-term and long-term goals. We recognize that each client has unique circumstances, so our team provides tailored financial planning ideas and strategies. Our focus encompasses various aspects of the client's financial well-being, including estate planning, income tax management, charitable giving, cash flow, wealth transfer, and family legacy objectives.

If you choose to utilize our financial planning services, we will conduct a meeting to gather information about your financial circumstances and objectives. We may use financial planning software to analyze your current financial position and define your long-term goals and objectives, both financial and non-financial. From there, we will develop shorter-term, targeted objectives to support your overall financial strategy.

To ensure a coordinated effort toward achieving your stated goals, our team may collaborate with your other advisors, such as CPAs, enrolled agents, estate planning attorneys, and insurance brokers. We believe in providing you with a holistic view of your financial situation, whether it's through specific goal-oriented reports, general investment and planning recommendations, guidance on outside assets, or periodic updates.

Our financial planning services may include:

1. Reviewing and clarifying your financial goals.
2. Assessing your overall financial position, including cash flow, balance sheet, investment strategy, risk management, and estate planning.
3. Developing a unique plan for each goal you have, whether it's related to personal or business real estate, education, retirement, charitable giving, estate planning, business succession, or other personal goals.
4. Creating a goal-oriented investment plan in consultation with various advisors, considering tax implications, asset allocation, expenses, risk, and liquidity factors for each goal. This includes IRA and qualified plans, taxable accounts, and trust accounts that require special attention.
5. Designing a risk management plan that aligns with your risk tolerance and includes strategies for risk avoidance, mitigation, and transfer. This plan also considers liquidity and explores various insurance options and potential company benefits.
6. Crafting and implementing an estate plan, in conjunction with your estate and/or corporate attorneys as tax advisors, to provide for you and/or your heirs in the event of incapacity or death.

Once we have reviewed and analyzed the information you provide, we will present you with a written plan designed to help you achieve your stated financial goals. The financial plan is based on the information available at the time of presentation and the data you provide to us. If your financial situation, goals, objectives, or needs change, please inform us promptly.

The financial plan will be reviewed in accordance with the terms of the Financial Planning Agreement.

You are not obligated to act on any of our financial planning recommendations. If you choose to implement any of our recommendations, you are free to do so through any brokerage firm of your preference, and you are not obligated to use our other investment advisory services.

### **Retirement Plan Fiduciary and Advisor Services**

BMCM provides qualified plan management and monitoring services for a fee, based on the size of the plan assets. The services include, but are not limited to, assisting with the Investment Policy Statement, providing a screened list of fund choices, providing asset allocation models, monitoring the fund selections on a quarterly basis, document fund monitoring process and educating employees. Implementation of the specific investment allocation for participants remains with each participant.

As a result of the recent regulations promulgated by the Department of Labor, which interpret the Employee Retirement Income Security Act (ERISA), there are choices when it comes to the fiduciary responsibilities for managing your company's retirement plan. It is crucial that plan sponsors and trustees have a good understanding of the different types of financial advisers who can service their retirement plan and provide protection for all plan participants.

BMCM offers two different options for managing a company's retirement plan:

1. 3(38) Fiduciary Investment Manager
2. 3(21) Fiduciary Investment Adviser

There is a distinct difference between a 3(38)-fiduciary investment manager and a 3(21)-retirement plan fiduciary. BMCM can be hired in either capacity through our registered investment adviser (RIA) structure, so the arrangement chosen is dependent upon the type of relationship you desire.

### **3(38) Fiduciary Investment Management Services**

Under this arrangement, BMCM is appointed by the plan sponsor or trustee and accepts discretion over plan assets and assumes full responsibility for the fiduciary functions concerning decisions related to the plan investment selections. As a 3(38)-investment manager, BMCM has the responsibility and authority to select the investment options for the plan and decide if and when to make changes to the plan investments. If selected as a 3(38)-investment manager, our services are as follows:

1. Be responsible for the selection of plan investments
2. Have discretionary authority to determine the core investment options and qualified default investment alternatives under the plan; and
3. Provide asset allocation portfolios to participants reflecting a range of risk and potential return characteristics. These portfolios are updated by BMCM on a discretionary basis and traded accordingly.

### **3(21) Fiduciary Investment Advisory Services**

A 3(21)-retirement plan fiduciary adviser is appointed by the plan sponsor or trustee to act in a co-fiduciary capacity. Through the 3(21) arrangement the plan sponsor or trustee and 3(21) fiduciary adviser share responsibility and accountability for the investment decisions made at the plan level. When the plan sponsor is provided with investment recommendations from the 3(21) adviser, the plan sponsor can agree or disagree with the recommendation. Under this arrangement, the plan sponsor is legally responsible and liable for the decision of whether to implement that advice. If selected as a 3(21)-fiduciary adviser, our services are as follows:

1. Assist in the development and/or review of an investment policy statement (IPS)



2. Assist in the evaluation, selection, and monitoring of plan investments, core options, and qualified default investment alternatives, if applicable;
3. Provide periodic reports to the sponsor regarding the performance of investments and related fees, compared with applicable benchmarks and peer groups; and
4. Provide investment options to the plan sponsor.
5. Should investment changes occur in accordance with an Investment Policy Statement procedure, notices are sent to plan participants notifying them of the upcoming change by the plan administrator and the participant can go into their account and make investment changes, at any time.

The plan sponsor remains responsible for selecting investments and investment options under the plan, and the participant shall remain responsible for making investment decisions regarding his/her accounts from among the options permitted under the plan.

### **Plan Consulting Services**

We offer Plan Consulting services which may include, but is not limited to, Service Provider Liaison; Education Services to Plan Committee; Participant Enrollment; Plan Education; Plan Search Support/Vendor Analysis; Benchmarking Services; and Assistance Identifying Plan Fees. The specific services to be provided will be documented and agreed upon in the Plan Consulting Agreement.

### **Disclosure Regarding Rollover Recommendations**

A client or prospect leaving an employer typically has four options regarding an existing retirement plan (and may engage in a combination of these options): (i) leave the money in the former employer's plan, if permitted, (ii) roll over the assets to the new employer's plan, if one is available and rollovers are permitted, (iii) rollover to an Individual Retirement Account ("IRA"), or (iv) cash out the account value (which could, depending upon the client's age, result in adverse tax consequences). Our firm may recommend an investor roll over plan assets to an IRA for which our firm provides investment advisory services. As a result, our firm and its representatives may earn an asset-based fee. In contrast, a recommendation that a client or prospective client leave their plan assets with their previous employer or roll over the assets to a plan sponsored by a new employer will generally result in no compensation to our firm. Our firm therefore has an economic incentive to encourage a client to roll plan assets into an IRA that our firm will manage, which presents a conflict of interest. To mitigate the conflict of interest, there are various factors that our firm will consider before recommending a rollover, including but not limited to: (i) the investment options available in the plan versus the investment options available in an IRA, (ii) fees and expenses in the plan versus the fees and expenses in an IRA, (iii) the services and responsiveness of the plan's investment professionals versus those of our firm, (iv) protection of assets from creditors and legal judgments, (v) required minimum distributions and age considerations, and (vi) employer stock tax consequences, if any. All rollover recommendations are also reviewed by our firm's Chief Compliance Officer in a best effort to determine that the recommendation to a client was reasonable or that the client has determined to make the rollover after being provided ample information about their options. No client is under any obligation to roll over plan assets to an IRA advised by our firm or to engage our firm to monitor and/or advise on the account while maintained with the client's employer. Our firm's Chief Compliance Officer remains available to address any questions that a client or prospective client has regarding this disclosure.

## **Acknowledgment of Fiduciary Status**

When we provide investment advice to you regarding your retirement plan account or individual retirement account, we are fiduciaries within the meaning of Title I of the Employee Retirement Income Security Act and/or the Internal Revenue Code, as applicable, which are laws governing retirement accounts. The way we make money creates some conflicts with your interests, so we operate under a special rule that requires us to act in your best interest and not put our interest ahead of yours. Under this special rule's provisions, we must:

- Meet a professional standard of care when making investment recommendations (give prudent advice);
- Never put our financial interests ahead of yours when making recommendations (give loyal advice);
- Avoid misleading statements about conflicts of interest, fees, and investments;
- Follow policies and procedures designed to ensure that we give advice that is in your best interest;
- Charge no more than is reasonable for our services; and
- Give you basic information about conflicts of interest.

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

BMCM offers its services on a fee basis, which is generally based upon assets under management. All fees charged by BMCM are subject to negotiation.

### **Investment Management Fees**

BMCM provides investment management services for an annual fee based upon a percentage of the market value of the assets being managed by BMCM. Any financial planning or consulting services provided are included as part of this fee. The firm's annual fee is exclusive of, and in addition to brokerage commissions, transaction fees, and other related costs and expenses which are incurred by the client including fees charged by selected Independent Manager(s). BMCM does not, however, receive any portion of these commissions, fees, and costs. BMCM's annual fee is charged quarterly, in advance, based upon the market value of the assets being managed by BMCM on the last day of the previous quarter. Fees are calculated using the portfolio management system which is as of trade date and includes accrued dividends, income and non-settled trades. Fees are prorated where applicable. The annual fee will be assessed on a blended tiered fee basis using the fee schedule published below:

| <b>PORTFOLIO VALUE</b>   | <b>BASE FEE</b> |
|--------------------------|-----------------|
| First \$1,000,000        | 1.00%           |
| Next \$2,000,000         | 0.90%           |
| Next \$2,000,000         | 0.80%           |
| Next \$5,000,000         | 0.70%           |
| Next \$10,000,000        | 0.50%           |
| Next \$10,000,000        | 0.40%           |
| Next \$20,000,000        | 0.30%           |
| Assets over \$50,000,000 | 0.20%           |

When assessing a fee on blended tiered basis, different fee rates will be applied to different asset tiers. For example, an account containing a balance of \$3,500,000 would pay 1.00% on the first \$1,000,000 of the account balance; 0.90% on the next \$2,000,000 of the account balance; and 0.80% on the remaining \$500,000 of the account balance.

Certain legacy accounts may have different fee arrangements, including a different fee schedule with a maximum annual advisory fee of 2.49%. The specific terms of these arrangements are governed the advisory agreements. Apart from specific legacy accounts, BMCM may also offer investment management services for a fixed fee, but only in limited circumstances. The fixed fees are determined on a case-by-case basis, taking into account the nature and complexity of the asset management services provided, as well as the level of administration required by the client. The fixed fees will be charged in advance in accordance with the terms of your IMA. However, BMCM will not require any prepayment exceeding \$1,200 six months or more in advance. In limited circumstances, BMCM provides investment management services for a flat fee.

BCMC, in its sole discretion, can negotiate to charge a lesser management fee based upon certain criteria (i.e., anticipated future earning capacity, anticipated future additional assets, dollar amount of assets to be managed, related accounts, account composition, pre-existing client, account retention, pro bono activities, etc.). Employees and their family members may have accounts which pay a discounted fee. All fees are reviewed by Senior Management as part of the IMA approval process.

#### **Fees Charged by Other Financial Institutions**

As further discussed in response to Item 12 (below), BMCM predominantly utilizes the brokerage and clearing services of Fidelity Institutional Wealth Services (“Fidelity”), Charles Schwab & Co., Inc. (“Schwab”), or TD Ameritrade Institutional, a division of TD Ameritrade, Inc. (“TD Ameritrade”) for investment management accounts.

BCMC will only implement its investment management recommendations after the client has arranged for and furnished BMCM with all information and authorization regarding accounts with appropriate financial institutions. Financial institutions include, but are not limited to, Fidelity, Schwab, TD Ameritrade, or any other broker-dealer recommended by BMCM, broker-dealer directed by the client, trust companies, banks etc. (collectively referred to herein as the “Financial Institutions”). Clients typically incur certain charges imposed by the Financial Institutions and other third parties such as fees charged by Independent Managers, custodial fees, charges imposed directly by a mutual fund or exchange-traded fund (“ETF”) in the account, which are disclosed in the fund’s prospectus (e.g., fund management fees and other fund expenses), short-term redemption fees, odd-lot differentials, transfer taxes, wire transfer and electronic fund fees, and other fees and taxes on brokerage accounts and securities transactions. Additionally, for assets outside of any wrap fee programs, clients will incur brokerage commissions and transaction fees. Such charges, fees and commissions are exclusive of and in addition to BMCM’s investment advisory fee.

BCMC’s Agreement and the separate agreement with any Financial Institutions authorize BMCM or Independent Managers to debit the client’s account for the amount of BMCM’s fee and to directly remit that management fee to BMCM or the Independent Managers. Any Financial Institutions recommended by BMCM has agreed to send a statement to the client, at least quarterly, indicating all amounts disbursed from the account including the amount of management fees paid directly to BMCM. Alternatively, in limited circumstances clients can elect to have BMCM send an invoice for payment.

### **Fees for Management During Partial Quarters of Service**

For the initial period of investment management services, the fees are calculated on a pro rata basis. The Agreement between BMCM and the client will continue in effect until terminated by either party pursuant to written notice and the other terms of the Agreement. BMCM's fees are prorated through the date of termination and any remaining balance is refunded to the client, as appropriate.

Clients may make additions to and withdrawals from their account at any time, subject to BMCM's right to terminate an account. Additions may be in cash or securities provided that BMCM reserves the right to liquidate any transferred securities or decline to accept particular securities into a client's account. Clients may withdraw account assets on notice to BMCM, subject to the usual and customary securities settlement procedures. However, BMCM designs its portfolios as long-term investments, and the withdrawal of assets may impair the achievement of a client's investment objectives. BMCM will consult with its clients about the options and ramifications of transferring securities. However, clients are advised that when transferred securities are liquidated, they are subject to transaction fees, fees assessed at the mutual fund level (i.e. contingent deferred sales charge) and/or tax ramifications. If assets are deposited into or withdrawn from an account after the inception of a quarter, the fee payable with respect to such assets will not be adjusted or prorated based on the number of days remaining in the quarter.

### **Independent Manager Fees**

In addition to fees that are charged to clients by Independent Managers, BMCM receives an annual advisory fee from clients which is based upon a percentage of the market value of the assets being managed by the designated Independent Managers.

### **Co-Advisory Fees**

Co-advised clients pay fees to us for the services rendered by both WSFS Bank and us under the tri-party Investment Advisory Agreement, based on the standard fee schedule described above. The client does not pay a fee directly to WSFS Bank for the services it provides under the tri-party agreement. Instead, on behalf of and as an accommodation to the co-advised client, we pay WSFS Bank for these services.

For current co-advised clients, BMCM will pay WSFS Bank an amount equal to 15% of the fee collected by BMCM on co-advised assets under management in the account during the first four full calendar quarters immediately following the date on which the account was opened. WSFS Bank will then pay the fee it receives under the tri-party agreement to WSFS bank employees who made the referral. In the event that the fees payable to BMCM by a co-advised client are delayed, reduced, or unpaid, BMCM's fees payable to WSFS Bank shall be similarly delayed, reduced or unpaid. If BMCM refunds any fees to co-advised clients, BMCM may deduct fees from subsequent quarterly periods in the amount of any prior fees paid to WSFS Bank that are attributable to such refunded fees, or BMCM may request that WSFS Bank refund previously paid fees. Any such refund shall be paid to BMCM by WSFS Bank within ten (10) days of any such request.

### **Sub-Advisory Services**

BMCM also provides sub-advisory services to trust Companies and other SEC registered investment advisers. These fees are negotiated on a case-by-case basis. BMCM does not currently have a minimum fee for sub-advisory services to trust Companies and other SEC registered investment advisers. See Item

4, Advisory Business, for further details.

### **Financial Planning Fees**

We charge a fixed fee for stand-alone financial planning services. Our fixed fees varies and are negotiable depending upon the complexity and scope of the plan, your financial situation, and your financial objectives. We will determine the client's fee for the designated financial advisory services based on a fixed fee arrangement described below.

Under our fixed fee arrangement, any fee will be agreed in advance of services being performed. The fee will be determined based on factors including the complexity of the client's financial situation, agreed upon deliverables, and whether the client intends to implement any recommendations through BMCM. Fixed fees for comprehensive financial plans start at \$3,000. As part of the financial planning agreement, BMCM may also be engaged for ongoing financial planning services payable through an annual retainer fee. Annual retainer fees are at a fixed rate of up to \$10,000 which will be based on the complexity of the services, the frequency of client interactions and other factors. Fees may be negotiable, at the sole discretion of BMCM, based on the nature and complexity of the services to be provided and the overall relationship with BMCM. Fees for the ongoing retainer will be invoiced quarterly, at the end of each quarter.

### **Retirement Plan Fiduciary and Advisor Services**

BMCM offers plan consulting services with annual fees ranging from 0.03% to 0.10%. We offer a Fiduciary Advisory Services role with an annual fee ranging from 0.30% to 1.00%. BMCM offers portfolios, and if the portfolios are chosen, the company receives a maximum fee of 0.35% which is included in the expense ratio. Fees are negotiable and are due in advance or arrears of each calendar quarter. The fee will be calculated on a calendar quarterly basis and based upon the value of the qualified plan as of the last business day of the calendar quarter as valued by the account custodian.

ERISA 3(38) fiduciary services will be subject to a minimum annual fee of \$2,000 for accounts with less than \$2,000,000 in assets under management. Any clients that opened these accounts prior to January 1, 2019, fees are grand-fathered. Multiple Employer Plans ("MEPs") are not included in this minimum fee. The advisory fee will generally be deducted directly from the account provided the qualified plan has authorized deduction of the advisory fee from the qualified plan account. Fee deductions will be authorized via execution of an agreement with BMCM.

Qualified plan sponsors may terminate BMCM's services at any time upon 30-days prior written notice. Upon termination, you are responsible for monitoring the securities in your account, and we will have no further obligation to act or advise with respect to those assets.

### **Trading on Margin**

In limited instances, BMCM may trade accounts on margin if granted authorization by the client. An account with a margin balance will incur margin interest which the custodian will charge in addition to BMCM's advisory fee. As BMCM's advisory fee is based on total assets under management, BMCM's fees would include any margin balance held in a client's account. This creates a potential conflict of interest because the use of margin can effectively increase the total assets under management. Clients are

under no obligation to authorize BMCM's use of margin.

### **Cash Management**

As part of the investment process, BMCM will routinely maintain and actively manage a percentage of each client's portfolio in cash or cash equivalents. Such cash is generally used to meet short-term client cash needs or may be maintained to pay for additional investments in securities as needed. Clients will pay management fees on cash assets even though they may earn little to no interest and cash and cash equivalent assets generally do not appreciate in value.

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

The firm does not charge performance-based fees (those that are based on capital gains or capital appreciation of the client's assets). Our firm is not involved with any side-by-side management relationships or fee structures.

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

BMCM provides advisory services to individuals, corporate pension, profit-sharing and other qualified plans, trusts, estates, charitable organizations, foundations, endowments, corporations, and other business entities.

### **Minimum Account Size**

As a condition for starting and maintaining a relationship, BMCM generally imposes a minimum portfolio size of \$500,000 to \$1,000,000. BMCM, in its sole discretion, can accept clients with smaller portfolios based upon certain criteria including anticipated future earning capacity, anticipated future additional assets, dollar amount of assets to be managed, related accounts, account composition, pre-existing client, account retention, and pro bono activities. BMCM only accepts clients with less than the minimum portfolio size if, in the sole opinion of BMCM, the smaller portfolio size will not cause a substantial increase of investment risk beyond the client's identified risk tolerance. BMCM can, at its discretion, aggregate the portfolios of family members to meet the minimum portfolio size. Certain Independent Managers may impose more restrictive account requirements; BMCM may alter account requirements to adhere to the requirements of the Independent Manager.

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

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

With the integration of a thoughtful financial planning process, we meet clients' return and risk objectives through the creation of diversified portfolios using the best products available. We use outside mutual funds, ETFs, internally managed separate accounts, and Independent Managers as described in Item 4 to meet each client's unique objectives. A long-term diversified strategic asset allocation guides the portfolio's structure over multiple market cycles, with adjustments made based on our 12-to-18-month market views.

The firm first conducts an initial assessment with the client and develops a customized Investment Policy Statement ("IPS"). The IPS guides the firm's investment decisions with the goal of ensuring the client's plans stay on track. Once the clients' goals have been defined in the IPS, the firm's next step is to assess

how well the client's current holdings align with them. In this stage, BMCM has two purposes: (1) to identify hidden risks in the portfolio that exceed the client's comfort level without providing acceptable rates of return; and (2) for each security that presents a concern, BMCM will take into consideration the tax efficiency of the portfolio and other factors it believes are important.

To implement a client's plan, BMCM can allocate assets to Independent Managers and mutual funds, as well as utilizing proprietary strategies that may include individual stocks and bonds in accordance with the client's investment objectives. The firm also provides advice on any other investments held in a client's portfolio, as necessary to implement the plan.

When using Independent Managers, or purchasing individual stock or bonds, the firm seeks to measure its absolute and risk adjusted performance to appropriate benchmarks, with a well-researched understanding of the respective managers investment process and risk profile. The risk profile is based on historical figures including but not limited to volatility and maximum drawdown. BMCM believes a combination of passive and active managers provide an ideal balance between cost efficiency and alpha generation. Each Independent Manager also has the potential to offer distinctive sources of excess returns, such as long-only equities, long/short equity strategies, options-based strategies, international exposure, and other securities it believes are appropriate. BMCM, in coordination with the firm's investment research team, creates internally generated capital market assumptions to project expected risk, return, and correlation data for their portfolios.

BMCM regularly monitors for formations of risk that may not be apparent at the individual manager level. Portfolio risk exposure and rebalancing is performed on an as-needed basis.

To enhance diversification in the client's portfolio, BMCM looks for a mix of active Independent Managers and opportunistic strategies that have a low correlation with each other. While these correlations are based largely on historical relationships, BMCM continually challenges historical assumptions and closely monitors catalysts that may change traditional correlations.

Finally, the firm seeks to find Independent Managers who invest their own personal wealth side by side with their investors, helping to boost their motivation and align their interest with the clients. BMCM's primary methods of analysis are fundamental with a qualitative focus. The factors that BMCM considers in recommending an Independent Manager are stated in Item 4.

### **ESG Strategy & Risk Considerations**

BMCM offers an investment strategy that caters to clients with a focus on environmental, social, and governance ("ESG") investing. This strategy incorporates ESG considerations into the investment process to prioritize ESG risks and impacts, with the objective of generating competitive returns relative to a blended benchmark. The implementation of this ESG strategy results in a diversified portfolio consisting of investment products managed by third-party providers. The ESG strategy is not designed to closely track BMCM strategic and tactical asset allocation targets. However, careful consideration was given to how investment products complemented each other to mitigate significant factor (style, size, sector, regional, momentum, etc.) tilts. Over time, the ESG strategy will tend to have significant exposure to mid/small-cap stocks and may have high industry concentration (i.e., renewable energy), thus potentially resulting in elevated tracking error and greater volatility compared to its benchmark.

Investment strategies that aim to incorporate financially material ESG factors may potentially experience

a loss of value or underperformance due to various reasons. ESG considerations typically prioritize the long-term outlook of issuers, which may not accurately predict short-term fluctuations in security prices or overall market dynamics. Integrating ESG factors into the investment process may result in the underweighting or exclusion of specific sectors, industries, or geographies, leading to underperformance during periods when those areas are favored by the overall market. The evaluation of ESG factors is subjective, and there is no guarantee that an investment team will consistently and correctly identify the financially material ESG attributes of individual investments. Moreover, the quality and completeness of ESG-related information and data obtained from publicly available sources and third-party standardized data sources are critical for BMCM to incorporate financially material ESG factors into its investment selection process, and this dependency poses a risk, particularly in markets, geographies, and asset classes with lower quality and extent of available information and reporting. All the risks described above apply to situations where BMCM incorporates ESG factors into its research process for individual security selection and when it uses formal exclusionary screens as part of its investment process.

### **Private Fund Investment Strategies**

Regarding privately offered vehicles, BMCM utilizes various alternative platform providers, which provide a menu of private fund strategies (private equity, private credit, venture capital, real estate, and hedge funds). The alternative platform providers conduct the initial research and due diligence to determine which private funds will be offered on their respective platform. BMCM will then conduct its own due diligence on the private fund offerings prior to any recommendations to clients. However, investors and prospective investors should refer to the offering documents of the private fund for a complete description of the risks, investment objectives and strategies, and other relevant information pertaining to investments in that specific private fund. For privately offered vehicles that clients are interested in but are not offered on any of the alternative platform providers utilized by BMCM, BMCM will perform initial and ongoing due diligence on these privately offered vehicles.

The fees charged by the private funds are separate and apart from our advisory fees. The fee you pay to the private fund is established and payable in accordance with the private fund's offering documents. Investments in private funds will be included in calculating our advisory fee, which is based on the fee schedule set forth in Item 5.

BMCM is not affiliated with any of the alternative platform providers. BMCM does not pay or receive a fee from any of the alternative platform providers for utilizing their services.

### **Risk of Loss**

BMCM does not offer any products or services that guarantee rates of return on investments for any time period to any client. Our investment approach constantly keeps the risk of loss in mind. Investors face the following investment risks:

#### **General Risk of Loss**

Investing in securities involves the risk of loss which clients should be prepared to bear.

**Interest Rate Risk:** Fluctuations in interest rates may cause investment prices to fluctuate. For example, when interest rates rise, yields on existing bonds become less attractive, causing their market values to decline.



**Market Risk:** The price of a stock, 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.

**Business Risk:** These risks are associated with a particular industry or a particular company within an industry. For example, major 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 a utility company, which generates its income from a steady stream of customers who buy power or services no matter what the economic environment is like.

**Inflation Risk:** When any type of inflation is present, a dollar today will not buy as much as a dollar next year. Purchasing power is reduced because of inflation.

**Liquidity Risk:** The risk that investors may have difficulty finding a buyer when they want to sell and may be forced to sell at a significant discount to market value. Liquidity risk is greater for thinly traded securities such as lower-rated bonds, bonds that were part of a small issue, bonds that have recently had their credit rating downgraded or bonds sold by an infrequent issuer.

**International Risk:** International Markets typically present more risk than domestic markets. Investing in securities of non-U.S. governments and companies which are generally denominated in non-United States currencies and utilization of options on non- United States securities involves certain considerations comprising both risks and opportunities not typically associated with investing in securities of the United States government or United States companies. These considerations include changes in exchange rates and exchange control regulations, political and social instability, expropriation, imposition of foreign taxes, less liquid markets and less available information than is generally the case in the United States, higher transaction costs, less government supervision of exchanges, brokers and issuers, greater risks associated with counterparties and settlement, difficulty in enforcing contractual obligations, lack of uniform accounting and auditing standards and greater price volatility.

#### **Mutual Funds and ETFs:**

An investment in a mutual fund or ETF involves risk, including the loss of principal. Mutual fund and ETF shareholders are subject to the risks stemming from the individual issuers of the fund's underlying portfolio securities. Such shareholders are also liable for taxes on any fund- level capital gains, as mutual funds and ETFs are required by law to distribute capital gains in the event they sell securities for a profit that cannot be offset by a corresponding loss.

Shares of mutual funds are generally distributed and redeemed on an ongoing basis by the fund itself or a broker acting on its behalf. The trading price at which a share is transacted is equal to a fund's stated daily per share net asset value ("NAV"), plus any shareholders fees (e.g., sales loads, purchase fees, redemption fees). The per share NAV of a mutual fund is calculated at the end of each business day, although the actual NAV fluctuates with intraday changes to the market value of the fund's holdings. The trading prices of a closed-end mutual fund's shares may differ significantly from the NAV during periods of market volatility, which may, among other factors, lead to the mutual fund's shares trading at a premium or discount to NAV.

Shares of ETFs are listed on securities exchanges and transacted at negotiated prices in the secondary

market. Generally, ETF shares trade at or near their most recent NAV, which is generally calculated at least once daily for indexed-based ETFs and more frequently for actively managed ETFs. However, certain inefficiencies may cause the shares to trade at a premium or discount to their pro rata NAV. There is also no guarantee that an active secondary market for such shares will develop or continue to exist. Generally, an ETF only redeems shares when aggregated as creation units (usually 50,000 shares or more).

**Diverse Limited Partner Group.** Investors may have conflicting investment, tax, and other interests with respect to their investments in Private Funds. The conflicting interests of individual investors may relate to or arise from, among other things, the nature of investments made by the advisers on behalf of the Private Fund in which such Investors are invested, the structuring or the acquisition of such investments and the timing of disposition of such investments. In selecting and structuring investments appropriate for a Private Fund, the advisers will consider the investment and tax objectives of the Private Fund as a whole, and not the investment, tax, or other objectives of any of its Investors.

**No market for interests; restrictions on transferability; no withdrawal rights.** The interests acquired by Investors in each Private Fund ("Interests") have not been registered under the Securities Act of 1933 (the "1933 Act") or the securities laws of any state or other jurisdiction and cannot be resold unless they are subsequently registered under the 1933 Act and other applicable securities laws or an exemption from registration is available. It is not contemplated that registration of the Interests of such Private Funds will ever be effected under the 1933 Act or other securities laws. There is no public market for the interests, and none is expected to develop. An investor will also generally not be permitted to assign its Interests without the prior consent of the relevant adviser of the Private Fund, which may be withheld in its sole discretion. Investors may not, except in extraordinary circumstances, withdraw from the Private Fund in which they are invested. Consequently, investors may not be able to liquidate their interests prior to the expiration of the term applicable to such Private Fund and must be prepared to bear the risks of owning Interests for an extended period.

#### **Use of Independent Managers**

BMCM typically recommends the use of Independent Managers for certain clients. BMCM will continue to do ongoing due diligence of such managers, but such recommendations rely on the Independent Managers ability to successfully implement their investment strategy. In addition, BMCM does not have the ability to supervise the Independent Managers on a day-to-day basis other than as previously described in response to Items 4 and 8, above.

#### **Use of Private Collective Investment Vehicles**

If appropriate, BMCM may recommend the investment by certain clients in privately placed collective investment vehicles (some of which may be called "hedge funds"). The managers of these vehicles will have broad discretion in selecting the investments. There are few limitations on the types of securities or other financial instruments which may be traded and no requirement to diversify. The hedge funds may trade on margin or otherwise leverage positions, thereby potentially increasing the risk to the vehicle. In addition, these vehicles are not registered as Investment Companies. There are numerous other risks in investing in these securities. The client will receive a private placement memorandum and/or other documents explaining such risks.

Some of the Private Funds recommended by BMCM are found through alternative platform providers.

There is no formal agreement between BMCM and the various alternative platform providers. Clients investing in funds on these platforms bear the risk that the platform providers will not be able to operate the platform. BMCM relies on the various alternative platform providers to perform due diligence on these funds and relies on their advice with regard to funds that fit the appropriate investment strategy. There is a possibility that a platform provider does not perform its services or may be negligent in performing its duties in relation to their platform. The investments of a Private Fund may lose all or a substantial portion of their value and are less liquid than traditional publicly traded investments. Investors in Private Funds must be prepared to bear the risk of loss of their investments therein. It is critical that potential investors refer to the relevant Private Fund's PPM and offering documents, which include more comprehensive, detailed disclosure of the investment strategy and material risk of investing in a Private Fund, for a complete understanding. In addition, while certain risks may be more important for certain investment strategies, certain risks may overlap investments.

**Cybersecurity Risk:** With the increased use of technology, financial firms are susceptible to operational, information security and related risks. In general, cyber incidents can result from deliberate attacks or unintentional events. Cyber-attacks include, but are not limited to, gaining unauthorized access to digital systems for purposes of misappropriating assets or sensitive information, corrupting data, or causing operational disruption. Cyber incidents impacting BMCM can cause disruptions and impact business operations, potentially resulting in the inability to transact business, financial losses, violations of applicable privacy and other laws, regulatory fines, penalties, or reputational damage. While BMCM has established a business continuity plan and risk management systems intended to identify and mitigate cyber incidents, there are inherent limitations in such plans and systems including the possibility that certain risks have not been identified. Furthermore, BMCM cannot control the cybersecurity plans and systems put in place by third party service providers and issuers in which client portfolios invest. As a result, clients could be negatively impacted.

**Inverse/Enhanced Market Strategies:** We may use long and short exchange traded funds (ETF's) with certain legacy customers that are designed to perform in either an: (1) inverse relationship to certain market indices (at a rate of 1 or more times the opposite result of the corresponding index) as an investment strategy and/or for the purpose of hedging against downside market risk; and (2) enhanced relationship to certain market indices (at a rate of 1 or more times the actual result of the corresponding index) as an investment strategy and/or for the purpose of increasing gains in an advancing market. There can be no assurance that any such strategy will prove profitable or successful. Considering these enhanced risks/rewards, a client may direct us, in writing, not to employ any or all such strategies for their accounts. We will discuss with a legacy client that these strategies are being used prior to implementation.

**Covered Call Writing:** Covered call writing is the sale of in-, at-, or out-of- the money call option against a long security position held in a client portfolio. This type of transaction is used to generate income. It also serves to create downside protection in the event the security position declines in value. Income is received from the proceeds of the option sale. Such income may be reduced to the extent it is necessary to buy back the option position prior to its expiration. This strategy involves a degree of trading velocity, transaction costs and significant losses if the underlying security has volatile price movement. Covered call strategies are generally suited for companies with little price volatility.

**Impact of Disease Epidemics:** The outbreak of an infectious disease in the United States or elsewhere, such as the novel coronavirus (*e.g.*, "**COVID-19**"), together with any resulting travel restrictions or quarantines, could result in disruptions to the adviser and/or third-party service providers on which the adviser relies. Given that the nature, timing, and severity of an outbreak is unknown, the extent to which

an epidemic might impact the adviser, its investments, or its advisory operations is uncertain. In addition to impacting the adviser and the adviser's third-party providers, a pandemic may, and most likely will, have a negative impact on the economy and business activity in the United States and worldwide leading to potential significant disruption, volatility, and potential losses across financial markets. Clients of the adviser must be prepared for such potential losses and while the adviser has processes in place to ensure business continuity and to monitor the performance of its vendors and underlying investments, the uncertainty around the nature, type, breadth, and duration of an epidemic and the overall potential impact to the adviser's operations and client investments is unclear.

**Clients should take careful note that:**

Securities are Not FDIC Insured. Securities are Not a Deposit.

Securities May Lose Value. Securities are Not Bank Guaranteed.

Securities are Not Insured by any Federal Government Agency.

BMCM does not represent, warrant or imply that the services or methods of analysis used by BMCM can or will predict future results, successfully identify market tops or bottoms, or insulate you from losses due to major market corrections or crashes. Past performance is no indication of future performance. No guarantees can be offered that your goals or objectives will be achieved. Further, no promises or assumptions can be made that the advisory services offered by BMCM will provide a better return than other investment strategies.

**Item 9: Disciplinary Information**

Registered Investment Advisors are required to disclose all material facts regarding any legal or disciplinary events that would be material to your evaluation of BMCM or the integrity of the firm's management. BMCM has not been involved in any of these disclosure items.

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

WSFS Financial Corporation owns 100% of BMCM Management, LLC. WSFS Bank, Bryn Mawr Trust Company of Delaware and BMCM are affiliated as they are wholly-owned subsidiaries of WSFS Financial Corporation. As discussed in Item 5, we have a co-advisory arrangement with WSFS Bank, under which WSFS Bank can recommend that a prospective advisory client enter into a tri-party investment advisory agreement between WSFS Bank, us, and the client. In this arrangement, WSFS Bank provides certain relationship and suitability services to co-advised clients, and we provide ongoing discretionary advisory services to such clients. Because of the affiliation between WSFS Bank and BMCM and given the fee arrangements for co-advised clients described above, WSFS Bank and its employees have an incentive to recommend a co-advisory relationship with us to prospective clients. In addition, based on the individual clients' needs, BMCM will refer clients from time to time to WSFS bank or Bryn Mawr Trust Company of Delaware. While this may create a conflict of interest due to the ownership structure, BMCM does not receive referral-based compensation for such referrals.

Supervised Persons of BMCM serve as board members of affiliated entities. Additionally, BMCM utilizes certain shared services of affiliated entities to reduce cost and maximize efficiency and consistency throughout the organization. The Chief Compliance Officer, Chief Investment Officer and certain members of the research team of BMCM share resources between affiliated entities.

Shared resources are subject to BMCM Code of Ethics and compliance program, including adhering to

policies limiting the sharing of material, non-public information.

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

BMCM has determined certain persons should be deemed “Access Person” under its Code of Ethics. Access Persons are permitted to buy or sell securities that it also recommends to clients, consistent with BMCM’s policies and procedures. BMCM has adopted a Code of Ethics that sets forth the standards of conduct expected of its Access Persons and requires compliance with applicable securities laws. In accordance with Section 204A of the Investment Advisers Act of 1940 (the “Advisers Act”), BMCM’s Code of Ethics contains written policies reasonably designed to prevent the unlawful use of material non-public information by BMCM or any of its associated persons. BMCM monitors the personal trading activity of its Access Persons; Access Persons are required to report their personal securities holdings and transactions and obtain pre-approval of non-exempt securities, initial public offerings, and limited offerings.

Clients and prospective clients may contact BMCM via the phone number listed on the cover page of this document to request a copy of its Code of Ethics.

#### **Item 12: Brokerage Practices**

BMCM generally uses the brokerage and clearing services of Fidelity, Schwab, TD Ameritrade, or Pershing. Factors which BMCM considers in recommending Fidelity, Schwab, TD Ameritrade, Pershing, or any other broker-dealer to clients include their financial strength, reputation, execution, pricing, research and service. Use of Fidelity, Schwab, TD Ameritrade, and Pershing enables BMCM to obtain many mutual funds without transaction charges and other securities at nominal transaction charges. The commissions and/or transaction fees charged by Fidelity, Schwab, TD Ameritrade, and Pershing may be higher or lower than those charged by other Financial Institutions. The commissions paid by BMCM’s clients comply with BMCM’s duty to obtain “best execution.” Clients may pay commissions that are higher than another qualified Financial Institution might charge to affect the same transaction where BMCM determines that the commissions are reasonable in relation to the value of the brokerage and research services received. In seeking best execution, the determinative factor is not the lowest possible cost, but whether the transaction represents the best qualitative execution, taking into consideration the full range of a Financial Institution’s services, including among others, the value of research provided, execution capability, commission rates, and responsiveness. BMCM seeks competitive rates but does not necessarily obtain the lowest possible commission rates for client transactions.

#### **Economic Benefits**

As a registered investment adviser, we have access to the institutional platform of your account broker-dealer/custodian. This access provides us with research products and services, which 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. The research products and services are provided to all investment advisers utilizing the institutional services platform. These services and products are not considered to be paid for in 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. The research products and services may be useful in servicing all our clients, and not solely limited to the account for which the

particular transaction was effected.

### **Directed Brokerage**

The client can direct BMCM in writing to use a particular Financial Institution to execute some or all transactions for the client. In that case, the client will negotiate terms and arrangements for the account with that Financial Institution, and BMCM will not seek better execution services or prices from other Financial Institutions or be able to “batch” client transactions for execution through other Financial Institutions with orders for other accounts managed by BMCM (as described below). As a result, it is possible that the client will 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. Subject to its duty of best execution, BMCM can decline a client’s request to direct brokerage if, in BMCM’s sole discretion, such directed brokerage arrangements would result in additional operational difficulties.

### **Aggregated Trades**

Transactions for each client generally will be effected independently unless BMCM decides to purchase or sell the same securities for a number of client accounts simultaneously. When possible, orders for the same security will be combined or “batched” to facilitate best execution and to allocate equitably among our client’s differences in prices that might have been obtained had such orders been placed independently. BMCM effects batched transactions in a manner designed to ensure that no participating client is favored over any other client. Specifically, each client that participates in a batched transaction will participate at the average share price for all of BMCM’s transactions in that security on that business day, with respect to that batched order. Securities purchased or sold in a batched transaction are allocated *pro rata*, when possible, to the participating client accounts by a predetermined formula. BMCM may, however, increase or decrease the amount of securities allocated to each account if necessary, to avoid holding odd-lot or small numbers of shares for particular clients. Additionally, if BMCM is unable to fully execute a batched transaction and we determine that it would be impractical to allocate a small number of securities among the accounts participating in the transaction on a *pro rata* basis, BMCM may allocate such securities in a manner determined in good faith to be a reasonable and fair allocation.

### **Software and Support Provided by Financial Institutions**

BMCM receives from Fidelity, Schwab, or TD Ameritrade, without cost to BMCM, computer software and related systems support, including: receipt of duplicate client confirmations and bundled duplicate statements; access to a trading desk that exclusively services its participants; access to block trading which provides ability to aggregate securities transactions and then allocate the appropriate shares to client; and access to an electronic communication network for client order entry and account information. These services allow BMCM to monitor client accounts maintained at Fidelity, Schwab, Pershing or TD Ameritrade. BMCM receives the software and related support without cost because BMCM renders investment management services to clients that maintain assets at Fidelity, Schwab, or TD Ameritrade. The software and support are not provided in connection with securities transactions of clients and is not paid for with client funds (i.e. not “soft dollars”). In addition, Fidelity provides us with certain technology platforms and related trading and account management services at reduced costs. These products and services provide clients with an online Client Portal that enables them to view their investment objectives, risk tolerance parameters, investment strategies, and portfolios.

The software and related systems support provided by the Financial Institutions benefits BMCM, but not its clients directly. The Financial Institutions may offer us other services intended to assist us in the

management and further development of our business, including educational conferences and events, consulting on technology, compliance, legal and business needs, and access to providers of services we may need. In fulfilling its duties to its clients, BMCM endeavors at all times to put the interests of its clients first. Clients should be aware, however, that BMCM's receipt of economic benefits from a broker-dealer creates a conflict of interest since these benefits have the potential to influence BMCM's choice of broker-dealer over another broker-dealer that does not furnish similar software, systems support, or services.

### **Cross Transactions**

BCMC currently does not execute transactions between client accounts ("cross transactions").

### **Soft Dollars Benefits**

BCMC does not currently use client brokerage commissions ("Soft Dollars") to obtain research or other products or services.

### **Item 13: Review of Accounts**

For those clients to whom BMCM provides investment management services, BMCM monitors those portfolios as part of an ongoing process. BMCM performs regular account reviews with clients via various methods including email, phone calls, or physical visits. For those clients to whom BMCM provides financial planning and/or consulting services, reviews are conducted on an "as needed" basis. Such reviews are conducted by one of BMCM's investment adviser representatives. All investment advisory clients are encouraged to discuss their needs, goals, and objectives with BMCM and to keep BMCM informed of any changes thereto. BMCM contacts ongoing investment advisory clients at least annually to review its previous services and/or recommendations and to discuss the impact resulting from any changes in the client's financial situation and/or investment objectives.

Clients receive transaction confirmation notices and regular account statements directly from the broker-dealer or custodian. Clients should review each account statement for accuracy and promptly report any discrepancies to the respective broker-dealer or custodian. Upon request, BMCM will provide concurrent quarterly reports. Clients should compare the account statements they receive from their custodian with those provided by from BMCM.

Those clients to whom BMCM provides financial planning and/or consulting services will receive reports from BMCM summarizing its analysis and conclusions as requested by the client or otherwise agreed to in writing by BMCM.

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

#### **Affiliated Client Referrals**

BCMC is engaged in a Co-Adviser relationship whereby BMCM pays WSFS Bank an amount equal to 15% of the fee paid by client to Adviser during the first four full calendar quarters immediately following the opening of the Account for referring clients to BMCM. Due to its affiliation with Advisers and given the fee arrangements, WSFS Bank has an incentive to recommend this co-advisory relationship to Client. These payments create a financial incentive for WSFS Bank to recommend BMCM over other firms where no compensation is received, resulting in material conflicts of interest. WSFS Bank is not a client of BMCM. This referral may not be representative of the experience of others and is not a guarantee of future performance or success.

### **Non-affiliated Client Referrals**

We participate in a referral program where we compensate individuals and entities (formerly known as "solicitors" and now referred to as "promoters") for client referrals. To receive a cash referral fee, promoters must comply with the requirements of the jurisdiction in which they operate.

If you become our client through a promoter's referral, they will receive either a one-time fixed referral fee at the time you enter into an advisory agreement with us or a percentage of the advisory fee you pay us for the duration of your client relationship, or until the agreement with the promoter expires. This referral arrangement does not result in any additional fees for you.

This referral arrangement creates a conflict of interest, as promoters have a financial incentive to recommend our advisory services to you. However, you are not obligated to retain our advisory services, and you may find comparable services and/or lower fees available from other firms.

Promoters who refer clients to multiple investment advisors may have a financial incentive to recommend advisors with more favorable compensation arrangements. We request that our promoters disclose to you if they have multiple referral relationships and if comparable services are available from other advisors with potentially lower fees or more favorable compensation terms for the promoter.

### **Fidelity Wealth Advisor Solutions Program**

BMCM participates in the Fidelity Wealth Advisor Solutions® Program (the "WAS Program"), through which BMCM receives referrals from Fidelity Personal and Workplace Advisors LLC (FPWA), a registered investment adviser and Fidelity Investments company. BMCM is independent and not affiliated with FPWA or any Fidelity Investments company. FPWA does not supervise or control BMCM, and FPWA has no responsibility or oversight for BMCM's provision of investment management or other advisory services.

Under the WAS Program, FPWA will solicit clients on behalf of BMCM in accordance with Rule 206(4)-1, and BMCM pays referral fees to FPWA for each referral received based on BMCM's assets under management attributable to each client referred by FPWA or members of each client's household. The WAS Program is designed to help investors find an independent investment advisor, and any referral from FPWA to BMCM does not constitute a recommendation or endorsement by FPWA of BMCM's particular investment management services or strategies. More specifically, BMCM pays the following amounts to FPWA for referrals: the sum of (i) an annual percentage of 0.10% of any and all assets in client accounts where such assets are identified as "fixed income" assets by FPWA and (ii) an annual percentage of 0.25% of all other assets held in client accounts. In addition, BMCM has agreed to pay FPWA a minimum annual fee amount in connection with its participation in the WAS Program. These referral fees are paid by BMCM and not the client.

To receive referrals from the WAS Program, BMCM must meet certain minimum participation criteria, but Advisor may have been selected for participation in the WAS Program as a result of its other business relationships with FPWA and its affiliates, including Fidelity Brokerage Services, LLC ("FBS"). As a result of its participation in the WAS Program, BMCM may have a potential conflict of interest with respect to its decision to use certain affiliates of FPWA, including FBS, for execution, custody and clearing for certain client accounts, and Advisor may have a potential incentive to suggest the use of FBS and its



affiliates to its advisory clients, whether or not those clients were referred to BMCM as part of the WAS Program. Under an agreement with FPWA, BMCM has agreed that Advisor will not charge clients more than the standard range of advisory fees disclosed in its Form ADV 2A Brochure to cover solicitation fees paid to FPWA as part of the WAS Program. Pursuant to these arrangements, BMCM has agreed not to solicit clients to transfer their brokerage accounts from affiliates of FPWA or establish brokerage accounts at other custodians for referred clients other than when BMCM's fiduciary duties would so require, and Advisor has agreed to pay FPWA a one-time fee equal to 0.75% of the assets in a client account that is transferred from FPWA's affiliates to another custodian; therefore, BMCM has an incentive to suggest that referred clients and their household members maintain custody of their accounts with affiliates of FPWA. However, participation in the WAS Program does not limit BMCM's duty to select brokers on the basis of best execution.

### **Other Economic Benefit**

BMCM receives economic benefits from non-clients for providing advice or other advisory services to clients. This type of relationship poses a conflict of interest, and any such relationship is disclosed in response to Item 12, above.

### **Item 15: Custody**

As a paying agent for our firm, your independent qualified custodian will directly deduct our advisory fees from your account(s). The ability to deduct our advisory fees from your accounts causes our firm to exercise limited custody over your funds or securities. However, we do not physically hold any of your funds or securities. Instead, your funds and securities will be held by a bank, broker-dealer, or another qualified custodian. At least quarterly, you will receive account statements from the qualified custodian(s) holding your funds and securities. The account statements will indicate the amount of our advisory fees deducted from your account(s) during the billing period. BMCM is required to have a reasonable basis, after due inquiry, for believing the qualified custodian is sending quarterly account statements. Clients may opt to receive such statements electronically. BMCM Capital Management urges clients to carefully review such statements and report any discrepancies to the qualified custodian immediately..

### **Participant Account Management (Discretionary) -**

To manage your held away plan participant assets, we utilize a third-party platform. A link will be provided to the Client, allowing each Client to connect their participant account(s) to the platform. Once the account(s) are connected, the Adviser will have access to review the account allocations and rebalance when necessary. The Adviser has no authority to move money from the participant's account and does not require the participant's login credentials to effect trades. As such, we are not deemed to have custody over participant account(s). We are not affiliated with the third-party platform in any way and receive no compensation from them for using their platform.

### **Trustee Services**

BMCM serves as investment adviser and sub-adviser to certain client accounts, where an affiliate (e.g., WSFS Bank) serves as either trustee or co-trustee. Additionally, supervised persons of BMCM may serve

as co-trustee for certain advisory clients. These trustee and co-trustee arrangements impute custody to BMCM which requires BMCM to obtain a surprise examination by an independent public accountant, at least annually.

### **Bill Pay Authority**

BMCM is deemed to have custody over client funds where BMCM has been granted bill paying authority. As such, these client accounts are subject to the custody requirements of Rule 206(4)-2 that requires BMCM to obtain a surprise examination by an independent public accountant, at least annually.

### **Standing Letter of Authorization**

BMCM or any associated individuals may transfer money from a client's account to one or more third-party accounts, as designated by the client, without obtaining consent for each individual transaction. This is possible if the client has provided written authorization known as a Standing Letter of Authorization (SLOA). When an adviser has the authority to conduct such transfers, they are considered to have custody over the client's assets in the related accounts. However, BMCM is not required to undergo a surprise annual examination, which is typically necessary for custody, provided that the following conditions are met:

1. The client must provide written instructions, including the name, address, or account number of the third party, signed by them, to the qualified custodian.
2. The client must authorize BMCM in writing to direct transfers to the third party either on a specific schedule or from time to time.
3. The qualified custodian must confirm the client's authorization, such as by reviewing the signature, and notify the client promptly after each transfer.
4. The client can terminate or change the instruction.
5. BMCM has no authority or ability to change the identity of the third party, the address, or any other information about the third party.
6. BMCM maintains records demonstrating that the third party is not related to them and is not located at the same address as them.
7. The qualified custodian sends the client an initial notice confirming the instruction and an annual notice reconfirming the instruction, both in writing.

We confirm that BMCM meets all the above conditions.

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

BMCM accepts discretionary authority to manage security accounts for which it has received written authorization to do so. BMCM is considered to exercise investment discretion over a client's account if it can affect transactions for the client without first having to seek the client's consent. BMCM is given this authority through a power-of-attorney included in the agreement between BMCM and the client. Clients can request a limitation on this authority (such as certain securities not to be bought or sold). If permitted, BMCM takes discretion over one or more of the following activities:

- The securities to be purchased or sold.
- The amount of securities to be purchased or sold.
- When transactions are made;
- The Financial Institutions to be utilized; and/or
- The Independent Managers to be hired or fired.

**Item 17: Voting Client Securities**

If specified in the Investment Management Agreements, BMCM will vote proxies associated with securities held in certain managed accounts. A client may choose to vote his/her own shares or delegate that authority, in writing, to BMCM. That determination is typically made when the client opens their custodial/brokerage account. BMCM will vote the same way for all proxies related to a specific corporation unless a client specially requests BMCM to vote otherwise. BMCM has contracted with a vendor to vote according to the Glass Lewis Investment Manager Thematic guidelines which are designed to maximize returns for investment managers by voting in a manner consistent with the manager's active investment decision-making. BMCM is in no way obligated to vote using with the Glass Lewis guidelines. BMCM uses its own judgment when deciding how to vote on any proposal. In the event BMCM does not vote in accordance with the recommendation of the vendor guidelines, BMCM will document such rationale. BMCM will maintain records on each proxy vote. Clients may contact our office directly should they want to know how their proxies were voted.

Clients can request a copy of the complete Policy and Procedures by calling BMCM directly via the phone number listed on the cover page of this document. For co-advised clients, requests should be made through the co-advised client's WSFS Bank representative.

Because WSFS Financial Corporation is the parent company of BMCM, voting client proxies for WSFS shares can be a conflict of interest. In the course of voting proxies for clients, should a client own shares of WSFS common stock, BMCM will forward the proxy to the client so that each item can be voted in accordance with client's wishes. The client's WSFS proxy and any communication with client will be documented and kept with proxy records. In cases where the client is unable to vote their WSFS shares, BMCM will complete the proxy to include withholding votes for all Directors and abstain on all other proposals. BMCM does not purchase shares of WSFS common stock unless the client directs advisor to do so (unsolicited).

**Item 18: Financial Information**

BMCM is a wholly owned subsidiary of WSFS Financial Corporation, a publicly traded company, the balance sheet of which is publicly available.

BMCM does not require or solicit prepayment of more than \$1,200 in fees per client, six months or more in advance, and therefore a balance sheet of BMCM is not required to be disclosed.

At the time of filing, BMCM has no financial condition that is reasonably likely to impair its ability to meet contractual commitments to clients and has not been the subject of a bankruptcy petition at any time during the past ten years.