



Security Capital Management

www.hazlettburt.com

Wrap Fee Program Brochure

(Part 2A of Form ADV)

This wrap fee program brochure provides information about the qualifications and business practices of Security Capital Management (SCM). If you have any questions about the contents of this brochure, please contact Compliance at: (304) 233-3312. 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. Registration does not imply a certain level of skill or training.

Additional information about SCM is available on the SEC's website at www.adviserinfo.sec.gov

March 25, 2026

Security Capital Management

A Division of Hazlett, Burt & Watson, Inc.

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Material Changes

Annual Update

The Material Changes section of this brochure will be updated annually when material changes occur since the previous release of the Firm Brochure.

Material Changes since the Last Update

This section identifies and discusses material changes to the ADV Brochure since the version of this Brochure dated November 10, 2025. For more details on any particular matter, please see the item in this ADV Brochure referred to in the summary below.

There are no material changes in this brochure from the last amendment of Security Capital Management Wrap Fee Program Brochure dated November 10, 2025.

Full Brochure Available

Whenever you would like to receive a complete copy of our Firm Brochure, please contact us by telephone at: (800) 537-8985

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Services, Fees and Compensation

Security Capital Management (SCM) is a Division of Hazlett Burt & Watson, Inc (Hazlett), and is an investment adviser registered with the Securities and Exchange Commission (SEC) under the Investment Advisers Act of 1940. Hazlett is also a broker-dealer registered with the SEC under the Securities Exchange Act of 1934 and is a member of the Financial Industry Regulatory Authority (FINRA) and the Securities Investor Protection Corporation (SIPC). Hazlett has been in the securities business for over 100 years.

Hazlett and SCM is a wholly owned subsidiary of HB&W, Inc., a privately owned holding company, with no individuals owning 25% or more of the company.

The SCM wrap program, also known as the “Advantage Account program” provides personalized confidential financial planning and investment management to individuals, pension and profit sharing plans, trusts, estates, charitable organizations and small businesses. All Advisors and sub-advisors of SCM must be registered as investment advisors with the SEC or with appropriate state authorities.

Under SCM’s Advantage account, the Client and SCM compile relevant personal financial and demographic information to develop an investment plan designed to meet the Client’s goals and objectives. Investment management services are provided on a discretionary or non-discretionary basis. Investment strategies primarily focus on common and preferred stocks, U.S. Government agency bonds, mortgage backed and municipal bonds, open-end mutual funds, publicly traded closed-end mutual funds, and other investment opportunities deemed appropriate and suitable in light of the Client’s circumstances and investment objectives. SCM offers these services and requires the client to pay a fee based on a percentage of assets under management, which fees will be assessed on the market value of securities and cash held in the account on the last business day of the calendar quarter, and shall be paid quarterly in arrears during the 1st month of each calendar quarter. All management fee arrangements are subject to negotiation.

Under SCM’s Advantage Account, Hazlett is appointed by the Client as the sole and exclusive broker with respect to the account for acquiring asset custody and trading executions. Wrap Fees are determined based on the size of the pool of managed assets and are generally computed as the combination of Management and Platform Fees as follows:

Management Fee

<u>Account Size</u>	<u>Fee</u>	<u>Account Size</u>	<u>Fee</u>
Up to \$500,000	1.75%	\$2,500,001-\$5,000,000	1.15%
\$500,001-\$1,000,000	1.50%	\$5,000,001-\$10,000,000	0.95%
\$1,000,001-\$2,500,000	1.35%	\$10,000,001 and above	0.75%

Platform Fee

<u>Account Size</u>	<u>Fee</u>	<u>Account Size</u>	<u>Fee</u>
Up to \$250,000	0.120%	\$1,000,001 - \$2,000,000	0.030%
\$250,001 - \$500,000	0.080%	\$2,000,001 - \$5,000,000	0.015%
\$500,001 - \$1,000,000	0.040%	\$5,000,001 and above	0.010%

A minimum \$100.00 annual Platform Fee will be incurred on each Advantage Account. The Platform Fee is intended to defray a portion of SCM's operating costs related to the wrap program, but does not include commissions, clearing or execution costs.

In a Wrap Fee program, as detailed above SCM earns a fixed percentage asset-based fee, regardless of how much trading activity occurs in your account. Since our advisory fee is based on the value of your assets, we have an incentive to increase the value of your account, and in some cases, to recommend that you "switch" account types from a brokerage account to an investment advisory account. This creates a conflict of interest, as we may be incentivized to recommend that you add more money to your account, discourage you from withdrawing assets from your account, or "switch your account type to an investment advisory account, even if it is not in your best interest. Additionally, because your wrap account fees are based on the value of your account assets and SCM pays for trade execution costs, an incentive exists to trade less frequently in your account. These incentives create conflicts of interest that SCM manages through its compliance oversight program.

Further, SCM's wrap program costs may be higher than those under a traditional commission-based brokerage arrangement if you do not trade frequently. If you are a "buy-and-hold" investor, the fixed percentage asset-based fee you pay us for management and bundled services may cost you more than the trading commissions you would pay in a brokerage account or a non-wrap investment advisory account. The additional bundled services as part of our wrap program include asset custodial services and trade execution services through National Financial Services LLC, ongoing account monitoring, and quarterly performance reporting.

In conjunction with your wrap account, your financial advisor may also provide you with a comprehensive, written financial plan. The preparation of a financial plan requires that you provide your financial advisor with an assortment of personal data such as family records, employment records, budgeting, assets, liabilities, estate information, and tax information.

We encourage you to also consult with your attorney, accountant, insurance agent and/or other trusted advisors regarding any recommendations that result from the financial planning services provided to you.

Please refer to the firms' Form CRS Relationship Summary disclosure document, which provides an explanation of the differences between brokerage services and investment advisory services. A copy of which can be obtained by visiting our website at www.hazlettburt.com/regulation-bi or by contacting your financial advisor.

Other Types of Fees & Expenses

In addition to our advisory fees above, Security Capital Management may recommend investments in open-end mutual funds and exchange traded funds in client portfolios. These funds charge fees to their shareholders, which are described in their respective prospectus and usually include a management fee, administrative and operations fees, and certain distribution fees (e.g., 12b-1 fees). These fees are generally referred to as a fund's "expense ratio" and the fees are deducted at the mutual fund level when calculating the fund's net asset value ("NAV") and have a direct bearing on the fund's performance. Certain mutual funds also charge an up-front or back-end sales charge and and/or redemption fees. In addition, some open-end mutual funds offer different share classes of the same fund and one share-class can have a higher expense ratio and sales/redemption fees than another share class. The most economical share class will depend on certain factors, including the amount of time the shares are held by a client and the amount a client will be investing. Mutual fund expense ratios and sales/redemption fees vary by fund, so it is important for clients to read the mutual fund prospectus to fully understand all the fees charged.

Certain mutual funds (and/or their related persons), in which a Client may invest, make 12b-1 fee payments to broker/dealers. Such payments may be distributed pursuant to a 12b-1 distribution plan or pursuant to another arrangement as compensation for distribution or administrative services and may be paid out of the fund's assets, and therefore, indirectly paid by the Client. In the event SCM receives 12b-1 payments from mutual fund companies, SCM has made arrangements with its clearing and execution provider to automatically rebate these fees back to the client.

Security Capital Management strives to purchase the lowest cost mutual fund share class available to its clients. However, there have been times in the past, and there will be times in the future, when Security Capital Management does not have access to lower cost share classes. This will happen, for example, when the client's custodian does not offer a lower cost share class for some or all of the mutual funds bought for and/or held in clients' accounts, the client's account type is not eligible to invest in certain share classes or the investment amount does not meet the share class minimum investment requirement.

Clients may also incur fees for portfolio transactions executed away from Hazlett, electronic fund and wire transfers, spreads paid to market-makers, dealer mark-ups, exchange fees, custody charges for un-listed assets, securities-based line of credit interest as well as other brokerage/custodian fees, which shall be disclosed separately. If you execute a margin agreement with our clearing provider, you will be provided with a Disclosure of Credit Terms associated with this arrangement. When you maintain a margin balance, the clearing provider pays Hazlett a portion of the interest you are charged, ranging from 2.25% to 3.75% depending on the margin balance carried.

Clients may be able to purchase services similar to those offered under the wrap fee program from other service providers either separately or as part of a similar wrap program. SCM does not evaluate nor provide advice on wrap program services of other providers. These services or

programs may cost more or less than the services offered by SCM, depending on the fees charged by such other service providers and the trading activity in the Client's account.

Importantly, all the fees charged to a client's account lowers the overall performance of the account. Therefore, clients should review all applicable direct and indirect fees charged, including but not limited to custodian fees, transaction fees, fees associated with investments (e.g., mutual funds and ETFs), and advisory fees to fully understand the total amount of fees to be paid by the client and to thereby evaluate the advisory services being provided.

Account Requirements and Types of Clients

The wrap fee program is designed to provide personalized financial planning and investment management to individuals, pension and profit sharing plans, trusts, estates, charitable organizations and small businesses. It is the general policy of SCM that investment management accounts maintained for its Clients have a minimum initial equity of \$25,000. SCM may, at its discretion, allow a lower limit upon review of the Client's current and anticipated needs and situation.

Open Architecture

When using SCM's open-architecture wrap program, SCM may select specific investments and strategies for your account to meet objectives using the securities offerings available through National Financial Services, LLC. SCM advisors will provide personalized investment advisory solutions for each client through ongoing contact and interaction while providing discretionary and/or non-discretionary investment management and related advisory services. Your advisor will work closely with you to identify your investment goals and objectives as well as your risk tolerance and financial situation to create a portfolio strategy and will then construct an investment portfolio using available options that meet the best interest of the Client considering all relevant factors. Aside from mutual funds or ETFs, your advisor may also utilize individual stocks, bonds, options contracts or various other investments. Your advisor may also retain certain types of investments based on a client's legacy investments and based on the portfolio fit and/or tax considerations.

Suggestion of Brokers to Clients

As a fiduciary, we endeavor to act in our client's best interest at all times. In those instances, in which your financial advisor manages your investment account, unless directed otherwise, our broker-dealer Hazlett through its' clearing relationship with, National Financial Services, LLC (NFS), will execute all transactions for your account. When Hazlett is appointed as broker, relevant factors considered by SCM and the Client are the execution capabilities, third-party research, and other services, as well as the value of an ongoing relationship provided by Hazlett (and its clearing provider NFS), which is expected to enhance the general portfolio management

relationship with SCM. Account services, including clearing and execution, securities and money movement, tax reporting, custody and provision of brokerage statements, will be provided by Hazlett through its clearing relationship with National Financial Services (NFS).

You can direct us in writing to use another securities brokerage firm or another financial institution (such as the trust department of a bank) to execute the transactions for your investment advisory account. If you do so, you will be directed to utilize SCM's Asset Management Account, which is a Non-Wrap program that provides Investment Advisory Services only whereby custodial and other brokerage trade services are contracted separately by the client through another financial institution. If you direct SCM to utilize another financial institution, the transaction fees and other expenses incurred for those custodial and brokerage services will be in addition to the percentage asset-based fee we charge for the Investment Advisory Services as part of your Asset Management Account. SCM reserves the right to decline the client's request for custodial and other brokerage services away from SCM if the financial institution is unable to efficiently connect to our advisory account management and reporting platform or other factors, we deem prohibitive. Please refer to the firms' Asset Management Account Firm Brochure for more information on our Asset Management Account Non-Wrap program. A copy of which can be obtained by contacting your financial advisor.

When you direct us to execute transactions for your investment advisory account through another securities brokerage firm, you will be responsible for negotiating the terms and arrangements for the account with that firm. This includes negotiating transaction charges, obtaining volume discounts, and ensuring best execution among other considerations.

Investment Discretion

We may only exercise discretion if you have provided authority to us in writing. This authorization is included in the investment advisory agreement you execute with SCM. The discretionary authority granted to us does not provide us with the ability to withdraw funds from your account other than to withdraw our advisory fees, which also may only be done with your prior written authorization. We will exercise discretion in your investment account in a manner consistent with the stated objectives for your account.

Execution of Transactions

In seeking best execution, the determinative factor is not the lowest possible commission cost, but whether the transaction represents the best qualitative execution. Hazlett takes into consideration the full range of services including execution capability, commission rates, and responsiveness in their evaluation of best execution for clients in the SCM wrap program. In those instances, in which your financial advisor manages your SCM wrap account, our clearing firm, NFS, will execute all transactions for your account. We test the quality of order executions to ensure that you are receiving the best available execution on transactions in your investment account.

We could engage in "block trading," which is the purchase or sale of a security for the accounts of multiple clients in a single transaction. If a block trade is executed, each participating client

receives a price that represents the average of the prices at which all the transactions in each block were executed. If the order is not filled entirely, the securities purchased or sold are distributed among participating clients on a pro rata basis or in some other equitable manner.

Block trades are placed only when we reasonably believe that the combination of the transactions provides better prices for clients than had individual transactions been placed for clients. Transactions for non-discretionary client accounts are generally not blocked with transactions for discretionary client accounts. Transactions for the accounts of our financial advisors and employees may be included in block trades. They will receive the same average price as clients. Transactions for the accounts of our financial advisors or employees will not be favored over transactions for client accounts.

We are not obligated to include any client transaction in a block trade. Block trades will not be affected for any client's account if doing so is prohibited or otherwise inconsistent with the client's investment advisory agreement. No client will be favored over any other client.

Portfolio Manager Selection and Evaluation

Portfolio management is provided by the individual advisors employed by SCM. Advisors are selected and reviewed by members of SCM's senior management. During these reviews, advisors are questioned about their approach to managing Client assets, past performance and objectives, as well as a review for regulatory compliance. Advisors are reviewed at least annually to ensure that they meet, and continue to meet, the requirements for providing investment advisory services, as well as compliance with SCM's written policies and procedures. SCM may replace an individual advisor for performance reasons or for noncompliance.

SCM may utilize the services of other registered investment advisors ("sub-advisor") to manage a Client's entire portfolio, or a portion thereof. All sub-advisors contracted by SCM must be registered as investment advisors with the Securities and Exchange Commission or with appropriate state authorities. After gathering information about the Client's financial situation and objectives, SCM will select one or more sub-advisors based on investment style and suitability in order to meet the Client's financial needs, investment goals, tolerance for risk, and investment objectives. Once the portfolio is constructed, SCM monitors the performance of the sub-advisor, reviews reports provided by the sub-advisor, and assists the Client in understanding and evaluating the services provided by the sub-advisor. Clients will not sign an agreement with the sub-advisor; rather the agreement is between SCM and the sub-advisor. This arrangement does not result in higher fees to the Client.

Advisory Business

See the Services, Fees and Compensation section of this Wrap Brochure for more information about our wrap program. We offer personalized investment advice to clients utilizing our portfolio management service. SCM generally does not allow for unreasonable restrictions on the Investment Management Services it provides, clients are allowed to impose reasonable restrictions on the types of securities, sectors and/or industries they do not want to be included in their portfolio. Such restrictions must be communicated to SCM in advance and documented in writing. Once this information is gathered initially, each client is responsible for informing SCM in writing of any changes to these restrictions or to their overall investment objectives. SCM does not assume any responsibility for the accuracy of the information provided directly by its clients or the failure of clients to inform SCM of changes to their investment or financial objectives.

Performance Based Fees & Side-By-Side Management

Security Capital Management does not charge performance-based fees (*i.e.*, fees calculated based on a share of capital gains upon or capital appreciation of the funds or any portion of the funds of an advisory client). Consequently, Security Capital Management does not engage in side-by-side management of accounts that are charged a performance-based fee with accounts that are charged another type of fee (such as fees based on the client's assets under management). As described above, Security Capital Management provides its services for a fixed fee, hourly charges and/or based upon a percentage of assets under management, in accordance with SEC Rule 205(a)(1).

Methods of Analysis

In formulating investment advice and managing assets, Security Capital Management analyzes various economic factors and conditions utilizing available market publications along with third-party research subscriptions to help forecast the future economic environment as well as the future potential returns of individual investments. This in turn guides SCM's asset allocation decisions and the selection of investments suitable for particular investment portfolios. Clients should be aware that investing in securities involves risk of loss that they should be prepared to bear.

Investment Strategies

The primary investment strategy used to implement any investment advice given to clients is asset allocation. Based on SCM's economic forecast and client-driven factors such as desired rate of return, aversion to risk, investment time horizon, tax consequences, and other constraints, investments are typically diversified across different asset classes and investment styles.

Risk of Loss

Investing in securities involves a significant risk of loss, and all investments have certain risks that are borne by the investor. Security Capital Management's methods of analysis and investment strategies aim to keep the risk of loss in mind. Some of risks of loss a client should be aware of include, but are not limited, to the following:

1. 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.
2. Market Risk: The price of a stock, bond, mutual fund or other security 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.
3. Inflation Risk: When any type of inflation is present, a dollar today will not buy as much as a dollar next year, because purchasing power is eroding at the rate of inflation.
4. Currency Risk: Overseas investments are subject to fluctuations in the value of the dollar against the currency of the investment's originating country. This is also referred to as exchange rate risk.
5. Political and Legislative Risks: Companies face a complex set of laws and circumstances in each country in which they operate. The political and legal environment can change rapidly and without warning, with significant impact, especially for companies operating outside of the United States.
6. Reinvestment Risk: This is the risk that future proceeds from investments may have to be reinvested at a potentially lower rate of return (i.e. interest rate). This primarily relates to fixed income securities.
7. Business Risk: These risks are associated with a particular industry or a particular company within an industry. For example, oil-drilling companies depend on finding oil and then refining it, a lengthy process, before they can generate a profit. They carry a higher risk of profitability than an electric company, which generates its income from a steady stream of customers who buy electricity no matter what the economic environment is like.
8. Liquidity Risk: Liquidity is the ability to readily convert an investment into cash. Generally, assets are more liquid if many traders are interested in a standardized product. For example, Treasury Bills are highly liquid, while real estate properties are not.
9. Financial Risk: Excessive borrowing to finance a business' operations increases the risk of profitability, because the company must meet the terms of its obligations in good times and bad. During periods of financial stress, the inability to meet loan obligations may result in bankruptcy and/or a declining market value.

Investment strategies of our financial advisors may include investing on a long-term basis, a short-term basis, or both. As previously noted, you may place reasonable restrictions on the strategies to be employed by your financial advisor in your account.

Although your financial advisor will manage your account in accordance with your stated investment objectives and risk tolerance, there can be no guarantee that those efforts will be successful. General economic conditions, current interest rates, the performance of a particular

industry or a particular company, and any number of other factors can affect investment performance both positively and negatively.

We cannot guarantee positive performance. You should be prepared to bear the risk of loss. Investments are subject to the potential for loss, including loss of principal, reduction in earnings, (interest, dividends, and other distributions) and the loss of future earnings.

Client Information Provided to Portfolio Managers

All Client information is cross-shared between SCM and Hazlett on a continual basis. When a sub-advisor is used, SCM will provide relevant information regarding a Client's specific situation, investment objectives and other suitability considerations as such information and/or updates become available.

Client Contact with Portfolio Managers

There are generally no restrictions placed on a Client's ability to contact and consult with their portfolio managers. Clients may request to consult directly with their advisor by calling (800) 537-8985.

Additional Information

Legal and Disciplinary Information

In February 2018, the Securities and Exchange Commission ("SEC") announced the creation of the Share Class Selection Disclosure Initiative ("SCSD Initiative"). The central issue identified by the SEC was that, in many cases, investment advisers bought for, or recommended to their clients, mutual fund share classes that had distribution or service fees (commonly known as 12b-1 fees) paid out of fund assets to the advisers when lower-cost share classes were available to those clients, and the investment advisers did not adequately disclose their receipt of 12b-1 fees and/or the conflict of interest associated with the receipt of these fees. Many firms voluntarily participated in the SCSD Initiative, where these firms could consent to an Order Instituting Administrative and Cease-And-Desist Proceedings ("Order"), where without admitting or denying the SEC's findings contained in the Order, participating firms could make payments to

affected clients.¹ In March 2019, SCM, along with many participating firms, agreed to the Order entered by the SEC.

By voluntarily self-reporting, SCM agreed to a censure and to cease and desist from committing or causing any violations and future violations of Sections 206(2) and 207 of the Investment Advisers Act of 1940. Moreover, in the Order SCM agreed to establish a distribution fund and to deposit into that fund disgorgement of the improperly disclosed 12b-1 fees, plus prejudgment interest, for payment to affected clients. Once the calculations and distribution amounts were determined and approved by the SEC for each affected client, SCM made the distributions to affected clients and submitted to the SEC a final accounting and certification regarding the disposition of the distribution fund. More information about the Order is contained in SCM's Form ADV, which is available on the SEC's Investment Advisory Public Disclosure website at <https://www.adviserinfo.sec.gov/IAPD/Default.aspx> or in the SEC's press release about the SCSD Initiative at <https://www.sec.gov/news/press-release/2019-28>.

1 The term "affected clients" includes current and former SCM investment advisory clients who purchased and held in their investment advisory accounts at SCM from January 1, 2017 through June 30, 2018 (the "relevant period") mutual fund share classes that paid 12b-1 fees that were retained by SCM. Affected clients specifically include persons who held money market mutual fund shares in advisory accounts through SCM's core sweep program during the relevant period, subject to a *de minimis* exception.

Other Financial Industry Activities and Affiliations

As previously noted, Security Capital Management is a division of Hazlett Burt & Watson, Inc. (Hazlett), which is registered with the SEC as both an investment advisor and broker-dealer. Our broker-dealer is a FINRA member. All of our financial advisors are also registered representatives of the broker-dealer.

When you engage Hazlett for brokerage services (outside of an investment advisory account), registered representatives make recommendations to and effect securities transactions for their clients in a traditional brokerage account, and registered representatives are compensated for these services through commissions, markups/markdowns and other transaction-based fees. In our capacity as a broker-dealer/registered representative, a conflict of interest exists when Hazlett and its' registered representatives are compensated by transaction-based fees. This is because we have an incentive to recommend you trade more frequently or to recommend products that generate a higher commission for us, rather than recommending investments that may be less expensive or more suitable for your needs. Hazlett manages these conflicts of interest through its' compliance oversight program.

SCM has arrangements that are material to its advisory business or its Clients with a related entity, Hazlett, Burt & Watson, Inc., a registered broker/dealer (Hazlett). Hazlett, through its clearing provider, National Financial Services (NFS), provides trade, execution and custody services for SCM. Hazlett is also an insurance agency, and is affiliated with Security National Trust Co. (SNTC), a nationally chartered non-depository trust bank. SNTC is a wholly owned subsidiary of the parent holding company which also owns Hazlett.

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

A. Code of Ethics Summary

The principals and staff of Security Capital Management have adopted a Code of Ethics for the purpose of instructing its personnel in their ethical obligations and to provide rules for their personal securities transactions. SCM owes a duty of loyalty, fairness and good faith towards its clients, and the obligation to adhere not only to the specific provisions of the Code but to the general principles that guide the Code. The Code of Ethics covers a range of topics that may include: general ethical principles, receipt and giving of gifts, reporting personal securities trading, exceptions to reporting securities trading, reportable securities, initial public offerings and private placements, reporting ethical violations, distribution of the Code of Ethics, review and enforcement processes, amendments to Form ADV and supervisory procedures. We will provide a copy of the Code of Ethics to any client or prospective client upon request.

B. Participation or Interest in Client Transactions and Personal Trading

Neither Security Capital Management nor any of its employees act as general partner in a partnership in which clients are solicited to invest or as an investment adviser to a mutual fund or other investment company that is recommended to clients. Based upon a client's stated objectives, Security Capital Management may, under certain circumstances, recommend the purchase or sale of securities in which SCM or its affiliates have an interest. Such recommendations will only be made to the extent that they are reasonably believed to be in the best interests of the client. Additionally, as part of Security Capital Management's fiduciary duty to clients, SCM and its associated persons will endeavor at all times to put the interests of the clients first, and at all times are required to adhere to SCM's Code of Ethics.

SCM and its representatives may engage in personal securities transactions. The personal securities transactions of SCM and its representatives may raise potential conflicts of interest when such persons trade in a security that is i) owned by a Client or ii) considered for purchase or sale for a Client. SCM has adopted policies and procedures that are intended to ensure that transactions are affected for Clients in a manner that is consistent with its fiduciary duty and in accordance with applicable law. Persons who wish to purchase or sell securities of the types purchased or sold for Clients may do so only in a manner consistent with SCM policies and procedures.

To help mitigate any real or potential conflicts of interest associated with these practices, our Compliance Department, under the direction of the Chief Compliance Officer of Security Capital Management reviews employee trades involving reportable securities

each quarter and holding reports annually. The personal trading reviews help ensure that the personal trading of employees does not affect the markets, and that clients of SCM receive preferential treatment. Since most employee trades are small equity trades, mutual fund trades or exchange-traded fund trades, the transactions generally do not affect the securities markets.

Review of Accounts

Account performance, Client suitability, and fiduciary responsibilities are monitored on a daily, quarterly or on an annual basis in an effort to determine that the services provided are deemed appropriate in light of the Client's financial situation and stated objectives. More frequent reviews may be prompted by changes in market conditions, or changes in a Client's investment objectives. On a periodic basis, advisors are required to contact their Clients, and maintain documentation for purposes of compliance review and analysis. All Client accounts are reconciled as to positions and transaction activity on a monthly basis.

Hazlett, or the Client's custodian, will provide Clients with a statement (at least quarterly) identifying the amount of funds and of each security in their account at the end of the reporting period, as well as setting forth all transactions in the account during the reporting period. SCM also generates various written reports and quarterly performance evaluations. Trade confirmations will be provided by the asset custodian. SCM will generally communicate with its Clients via letters, newsletters and other SCM generated literature.

Research and Other Soft Dollar Benefits

SCM does not have any arrangements to receive soft dollar benefits in connection with client securities transactions.

However, Security Capital Management does receive products and services from National Financial Services (NFS), that may be used to service all or a substantial number of our clients' accounts, including accounts not maintained at NFS. NFS and other firms may waive or discount fees for these products and services at its discretion. NFS and other firms also make available other services intended to help SCM manage and further develop our business enterprise, including consulting, publications, practice management conferences, information technology, business succession planning, regulatory compliance, and marketing. In addition, NFS and other firms may make available, arrange and/or pay for these types of services by independent third parties.

NFS and other firms may discount or waive fees it would otherwise charge for some of these services or pay all or a part of the fees of a third-party providing these services to SCM.

As a fiduciary, we endeavor to act in our clients' best interests at all times. Our recommendation that clients maintain their assets in accounts at NFS is based solely on

the nature, cost or quality of custody and brokerage services provided by NFS regardless of any other products or services which may be provided to SCM. We are aware, however, that the availability of some of the foregoing products and services may create a potential conflict of interest.

Client Referrals and Other Compensation

On occasion, SCM may offer securities on a principal basis to its Clients through Hazlett. Such offerings will not be executed without disclosing inherent conflicts of interest, such as additional compensation, or without the written consent of the Client. Any such consent may be withheld by the Client or be revoked at any time prior to the settlement of the trade. When proprietary offerings are purchased after the opening of an SCM account, these securities may be excluded for nine to thirty-six months, respectively, from the calculation of advisory fees. Such exclusions are at the discretion of SCM and are negotiable. Also, SCM may affect “cross” transactions between Clients in which one Client will purchase securities held by another Client. Such transactions are only entered into with the written authorization of both Clients, when SCM deems the transaction to be in the best interest of both Clients, and at a price that has been determined to be fair to both parties in light of prevailing market conditions.

As part of SCM’s other business activities, the firm’s Advisors may affect securities transactions for or sell insurance products to Clients. SCM may be receiving a fee for investment advice in advisory accounts and representatives may be receiving a separate, yet customary, commission for any transactions effected in Hazlett brokerage accounts. Such conflicts of interest will be disclosed in advance to the Client.

The securities brokerage and insurance services offered by Hazlett are separate from the investment advisory services SCM offers. You are under no obligation to utilize the services of your financial advisor in the purchase or sales of securities or insurance products in their capacity as a registered representative or a licensed insurance agent. Any transaction you make through your financial advisor in either of those capacities, however, will likely result in compensation to your financial advisor and to Hazlett in the form of commissions and other transaction-related compensation. A conflict of interest exists in directing business to Hazlett, our broker-dealer, as compensation received will increase the revenues to SCM and Hazlett overall.

In addition, your financial advisor receives compensation as a result of a Client’s participation in Wrap Program accounts for providing portfolio management services and financial advice. This compensation is based on a tiered-percentage structure of the total management fees charged to a Client’s Wrap Program Account, and as such the percentage increases as higher levels of management fees are earned by each financial advisor. This creates a conflict of interest, as your financial advisor has an incentive to increase the value of your account and thereby also their compensation. This also may incentivize your financial advisor to recommend you invest more money in your advisory account, or to discourage you from withdrawing assets from your account, even if it is not in your best interest. Such compensation may be more than what the financial

advisor would receive if the Client paid separately for investment advice, brokerage, and other services, and may create a financial incentive for a financial advisor to recommend participation in Wrap Program accounts over other account programs and services.

Hazlett receives a Business Development Credit, a Technology Services Credit and a Net Flows Credit from National Financial Services (NFS) as part of Hazlett's clearing and custody agreement with NFS. Because of these arrangements, SCM and Hazlett has an incentive to direct trades to NFS, which incentives represent a conflict of interest. This arrangement has been entered into for the purposes of the efficiency of operation and the reliability of the custody and trading services NFS provides Hazlett clients.

SCM has been fortunate to receive many Client referrals over the years. The referrals have come from current Clients, estate planning attorneys, accountants, employees, personal friends of employees and other similar sources. The firm does not compensate referring parties for these referrals.

From time to time, we initiate and maintain incentive programs for our financial advisors. These programs may compensate them for referring business when appropriate to our affiliate, Security National Trust Company (SNTC). The referral compensation takes the form of a payment to the financial advisor of a percentage of the normal SNTC account fees and results in no additional fees to you or other Clients.

SCM endeavors to be civic minded and generally makes charitable contributions to various organizations within the markets we serve. Such gifting is at the will and discretion of SCM's management, and such gifting may either directly or indirectly benefit individuals who are also clients of SCM.

In addition, SCM has a referral arrangement in place with an unaffiliated Investment Banker. SCM may, when appropriate, refer an existing SCM client for investment banking services and receive compensation for such referrals. The referral compensation takes the form of a payment to the financial advisor of a percentage of the normal investment banking fees, and results in no additional fees to you or other Clients.

Custody

Pursuant to Rule 206(4)-2 of the Advisers Act, because SCM has the authority and ability to debit its fees directly from clients' accounts, SCM is deemed to have "constructive custody" of accounts in which advisory fees are deducted. In some cases, SCM may also be deemed to have constructive custody over accounts in which it's affiliated broker-dealer Hazlett Burt & Watson, Inc has the ability to accept deposits and/or effect disbursements from your investment accounts via a "Standing Letter of Authorization" (SLOA) to direct funds to a third party.

To mitigate any potential conflicts of interest, client assets are maintained with an independent qualified custodian. Furthermore, clients will receive statements on at least a quarterly basis directly from the qualified custodian that holds and maintains their assets.

Clients are urged to carefully review custodial statements and compare them to the quarterly holdings and performance reports provided by SCM. SCM's quarterly reports may vary slightly from custodial statements based on accounting procedures, reporting dates, or valuation methodologies of certain securities.

We do not accept "Standing (SLOA)" authorization from clients to disburse funds to third parties unless the SLOA meets all the conditions in SEC No-Action Letter 2/21/17), specifically that the SLOA does not allow SCM to designate or change the identity, address or any other information about the third party.

Financial Information

We are not required to provide financial information in this Brochure because:

- We do not require the prepayment of more than \$1,200 in fees and six or more months in advance.
- We do not take custody of client funds or securities, all client assets are maintained with an independent qualified custodian.
- We do not have a financial condition or commitment that impairs our ability to meet contractual and fiduciary obligations to clients.

We have never been the subject of a bankruptcy proceeding.

Voting Client Securities

Security Capital Management's policy and practice is to not vote proxies on behalf of its clients and therefore, SCM shall have no obligation to take any action or render any advice with respect to the voting of proxies solicited by or with respect to issuers of securities held in a client's account. Consequently, clients retain the responsibility for receiving and voting all proxies for securities held within the client's account.

While Security Capital Management employees may answer client questions regarding proxy voting matters in an effort to assist the client in determining how to vote the proxy, the final decision of how to vote the proxy rests with the client. Security Capital Management shall not be deemed to have proxy voting authority solely as a result of providing advice or information about a particular proxy vote to a client.

Trade Error Policy

When an error is discovered, or brought to the attention of SCM, such errors shall be promptly brought to the attention of SCM's trading desk. Error corrections may need to be delayed for review purposes and/or consultation with the client. SCM will use its best efforts to resolve all trading errors in a timely manner. When trading errors result in a loss, the party, or client, responsible for the error shall bear the cost of the error. In those instances where a client directed error results in a gain, the client shall be given the option of retaining the transaction (by adding additional funds if necessary, otherwise all

errors resulting in a gain, such gains are retained by SCM. The SCM Financial Advisor does not participate in any resulting gains.