



FPL Capital Management, LLC
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February 5, 2020

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

FPL Capital Management, LLC is a registered investment adviser. Registration of an Investment Adviser does not imply any level of skill or training. The oral and written communications of an Adviser provide you with information about which you determine to hire or retain an Adviser.

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

Item 2 - Material Changes

Since our last annual amendment filing on January 21st, 2019, we have the following material changes to disclose:

- Previously, annualized fees for Asset Management services ranged from \$1,000 to \$5,000. We have increased the maximum threshold of the fee range to \$10,000. Advisory clients who utilize our model portfolios or have accounts requiring relatively less supervision and customization will be charged a fee on the lower end of the range's spectrum. However, client accounts that require additional services and customization will pay a higher annual fee, which shall not exceed \$10,000.
- Previously, we charged a flat annual fee of \$2,500 for providing Pension Consulting services to Defined Benefit Pension Plans and Cash Balance Pension Plans. We now charge an annual fixed fee based on the value of the Plan's assets. Please see Item 5 for more information.
- Charles Schwab & Co., Inc. ("Schwab") and TD Ameritrade, Inc. ("TD Ameritrade") recently eliminated transaction fees for U.S. listed equities and exchange traded funds.
- Fidelity Brokerage Services ("Fidelity"), recently eliminated transaction fees for U.S. listed equities and exchange traded funds for clients who opt into electronic delivery of statements or maintain at least \$1 million in assets at Fidelity.
- TD Ameritrade announced that it will be acquired by Charles Schwab & Co., Inc. The acquisition is expected to be completed in the summer of 2020. We will provide additional information about the acquisition as it becomes available.

We will further provide you with a new Brochure as necessary based on changes or new information, at any time, without charge.

Currently, our Brochure may be requested by contacting Virajith Wijeweera, Director of Operations, at 888-290-1969 or Info@FPLCapital.com. Our Brochure is also available on our web site www.FPLCapital.com, also free of charge.

Additional information about FPL Capital Management is also available via the SEC's web site www.adviserinfo.sec.gov. The SEC's web site also provides information about any persons affiliated with FPL Capital Management who are registered, or are required to be registered, as investment adviser representatives of FPL Capital Management.

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Item 4 - Advisory Business

Michael D. George is the principal owner of FPL Capital Management, LLC. Michael George serves as the president and the senior portfolio manager. Michael George established FPL Capital Management in 2000. Michael George has more than 20 years of experience working in the investment advisory services industry.

FPL Capital Management provides investment advisory services to individual clients, trusts, retirement plans, and business entities. FPL Capital Management, LLC was established in 2000 in the State of Louisiana. We are a fee-only firm. As of December 31st, 2019, we manage approximately **\$281,904,182.10 in discretionary assets** and **\$258,687,913.51 in non-discretionary assets** for a **total of \$540,592,095.61 in assets under management**. FPL Capital Management is located in Metairie, LA.

As a fiduciary, we seek to avoid conflicts of interest which may exist between our firm and clients. Some unavoidable conflicts may arise. In these rare cases, we seek to keep our clients' best interest first, at all times.

Asset Management Services

We offer our clients globally diversified model portfolios. We have created a sample list of model portfolios for our clients to choose from. The model portfolios were created utilizing passively managed index funds. If a client would like to customize his or her portfolio, he or she may do so with our expert advice. We merely facilitate the establishment of third-party separately managed accounts.

We also offer our clients access to Third-Party Money Manager services. Our clients have access to Third-Party Money Managers available on the Separately Managed Accounts platforms of Schwab Institutional, Fidelity Institutional, and TD Ameritrade Institutional. However, we do not recommend third-party money managers to our clients.

Clients may impose certain restrictions on investing in certain securities type or types of securities. FPL Capital Management reserves the right to accept or not to accept these restrictions. If accepting these restrictions hinders FPL Capital Management from achieving client's investment strategy, FPL Capital Management also reserves the right to terminate the client/advisor relationship.

Financial Planning & Consulting Services

FPL Capital Management, LLC offers clients comprehensive Financial Planning and Consulting services. These services are additional services to the asset management services of the firm, and therefore, render additional.

The fees charged to clients are based on the amount of consulting time that is involved. We charge clients an hourly rate or a quoted flat fee per specific project. The arrangement is selected and approved by the client before we engage in the consulting project.

Our financial planning and consulting services cover the following areas:

- Investment Planning
- Retirement Planning
- Risk Management (Insurance) Planning
- Tax Planning
- Estate Planning

Periodically, we will retain or have the client retain outside specialists to assist in completing the project. This includes specialists such as, but not limited to, Certified Public Accountants and Attorneys. The client will either pay us or pay the specialist directly for the services rendered. The client has the option of selecting the payment method they prefer.

To better serve our clients, we have established custodial relationships with discount brokers, such as Charles Schwab & Co., Inc. (“Schwab”), Fidelity Institutional Wealth Services (“Fidelity”), and TD Ameritrade (“TD Ameritrade”). FPL Capital Management does not have custody of the client assets at any point.

To best complement the services we recommend and/or offer, we have built a professional network of estate and trust attorneys, certified public accountants, and insurance agents who offer no-load products. Keeping these services separate ensures that there will be no conflict of interest with respect to the services these professionals offer.

Furthermore, FPL Capital Management also provides investment advisory services to clients as described in this brochure. As such, a potential conflict of interest exists between the adviser’s interests and the interests of the client. In any event, the client is under no obligation to act upon the investment adviser’s recommendation, and if the client elects to

act on any of the recommendations, the client is under no obligation to effect the transactions through the investment adviser.

Concierge Wealth Management Services

FPL Capital Management's Concierge Wealth Management packages deliver asset management and personalized wealth management services. We customize each Concierge Wealth Management package to meet the unique needs of a high-net worth investor. The Concierge Wealth Management annual advisory fee ranges from \$5,000 to \$25,000.

All Concierge Wealth Management packages include the following asset management services:

- Model Portfolio Access & Customization
- Investment Policy Statement
- Portfolio Reporting & Rebalancing
- Asset Location
- Tax Harvesting
- Outside Asset Consultation
- Wealth Management Portal
- Semi-Annual Reviews
- Quarterly Calls

Add-ons:

You can customize your Concierge Wealth Management package by adding on any of the following wealth management services:

- Multi-Generational Wealth Planning
- Retirement Planning
- Cash Flow Analysis
- Family Governance Solutions
- Insurance Planning
- Risk Management
- Asset Protection
- Tax Planning
- Philanthropic Planning
- Accounting Services
- Real Estate Advisory
- Private Foundation Structuring
- Asset Acquisition
- Trustee & Corporate Services

Family Office Services

FPL Capital Management also offers a variety of family office services. Annual fees range from \$25,000 to \$50,000. Services include:

Investment Management, Monitoring, and Reporting

Multi-Generational Wealth Planning

- Structuring assets to aid tax planning
- Wealth protection structures

Retirement Planning

Cash Flow Analysis

- Cash flow projections
- Income statement

Family Governance Solutions

- Board development
- Support with legacy protection
- Family constitution setup
- Family council meeting support

Insurance Planning

- Insurance policy Evaluation
- Implementing new insurance policies
- Long-term care expense mitigation
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Risk Management

- Anti-fraud services
- Cyber risk services
- Audits & assessments for operational risks

Asset Protection

Tax Planning

- Tax return preparation
- Quarterly tax projections

- Audit representation
- Strategies for charities, capital gains, AMT, and tax law changes

Estate Planning

- Wealth transfer and estate plan modeling
- Estate plan evaluation
- Marital contract planning
- Support with drafting testaments/last wills

Legacy Planning

- Succession planning
- Continuity of the company

Philanthropic Planning

- Establish giving strategy
- Advisory on charitable planning vehicles

Accounting Services

- Cash management (bill pay, cash flow, budgeting, etc.)
- Payment of invoices and taxes
- Balance sheet
- Evaluation of net worth

Real Estate Advisory

- Establish property portfolio
- Property acquisition support
- Property management
- Real estate financing support

Private Foundation Structuring

- New foundation creation, administration, and governance
- Existing foundation implementation
- Monitor compliance and due diligence
- Tax prep and filing
- Financial and grant reporting

Asset Acquisition

Trustee and Corporate Services

- Family shareholding management
- Trust and foundation setup, administration, and coordination

Pension Consulting Services

We mainly utilize our passive model portfolios to provide investment advisory services to retirement plans. Our model portfolios are created utilizing carefully pre-selected asset classes to maximize returns. The asset classes and allocations used are backed by several years of back-tested research. Clients selecting Model Portfolios may not achieve returns identical to that of Model Portfolios selected due to advisory fees, timing of the deduction of the advisory fee, market fluctuations, trading costs, portfolio cash flows, custodian fees, and frequency and precision of rebalancing.

To keep the participants informed of their portfolio holdings and activity, Recordkeepers provide statements. In addition to the Recordkeeper reports, the participants will also receive a quarterly review from us, which includes a summary of the markets and the performance of the model portfolios in the plan.

We recognize the importance of an informed and a knowledgeable client. When the plan comes under our advisory, we will host our initial plan participant presentation. We schedule an on-site meeting or host the meeting via WebEx. This presentation will mainly include our role in the plan and an overview of the capital markets and how our model portfolios tie into the Modern Portfolio Theory.

Also all participants will receive a Risk Tolerance Questionnaire that they must complete and sign. The questionnaire aids us in assessing the amount of risk the participant is willing to accept. Communication is a very integral part of our services. We also host regularly scheduled webinars via WebEx that all participants can attend. If participants have questions regarding the plan or their specific account, they will be able to call or e-mail us at any time.

Third Party Administrators and Recordkeepers play a significant role in our interaction with the plan sponsor and its participants. We have established a network of several Third Party Administrators and Recordkeepers that we feel bring the best value to the plan sponsors. Sponsor may select one from our network, or you can select one of your own. With our open architecture platform, we can work with any Third Party Administrator or Recordkeeper.

Tailoring of Advisory Services

FPL Capital Management offers individualized investment advice to our Asset Management, Concierge Wealth Management, and Family Office clients. General investment advice will be offered to our Financial Planning & Consulting and Retirement Plan Consulting clients.

Wrap Fee Programs

FPL Capital Management does not offer nor participate in Wrap Fee Programs.

Item 5 - Fees and Compensation

The specific manner in which fees are charged by FPL Capital Management is established in a client's written agreement with FPL Capital Management. FPL Capital Management will generally bill its fees on a quarterly basis. Clients are billed in arrears at the end of the calendar quarter. The management fee is deducted from the client specified brokerage account. Management fees shall be prorated. Accounts initiated or terminated during a calendar year will be charged a prorated fee. Upon termination of any client relationship, all earned and unpaid fees will be due and payable. Some fees are negotiable. Lower fees for comparable services may be available from other sources.

FPL Capital Management Fees are as follow:

1. Our annual management fee for portfolio of funds ranges between \$1,000 and \$10,000. Clients who utilize our model portfolios or have accounts requiring relatively less supervision and customization will be charged a fee on the lower end of the range's spectrum. However, client accounts that require additional services and customization will pay a higher annual fee, which shall not exceed \$10,000.
2. For our Concierge Wealth Management services, we charge an annual fee that ranges between \$5,000 and \$25,000.
3. For our Family Office Services, we charge an annual fee that ranges between \$25,000 and \$50,000.
4. Management fee for our own in-house Separately Managed Account of equity positions is \$5,000 per year. For accounts valued less than a \$1,000,000, we charge 50 basis points of the assets under management. Minimum account size for the Separately Managed Account is \$250,000.

5. For accessing Separately Managed Accounts of outside money managers, the initial setup fee is \$500, and \$250 annually from there on for annual retainer clients. For non-retainer clients, the initial setup fee is \$1,000, and \$250 annually from there on.
6. Additionally, our consulting service rate is \$250 per hour. This fee applies to all investment and wealth management (financial planning) services provided, which are not included in our portfolio management programs.
7. We provide our clients with portfolio reporting on accounts we manage. For accounts that we do not manage, we are willing to provide portfolio reporting for an additional fee. This fee is a flat annual fee. The fee will depend on the number of accounts, transactions, and the types of securities.
8. For retirement and pension plans that strictly use self-directed brokerage accounts, we charge a one-time setup fee of \$2,500 plus \$250 per Plan Participant and an annual fee of \$300 per Plan Participant. Our minimum annual fee for this type of retirement and pension plan is \$3,000. Additionally, we are available for consulting services at an hourly rate of \$150.
9. For the services we provide for retirement and pension plans that have participant-directed accounts, we charge a one-time setup fee of \$2,500 plus \$100 per Plan Participant and an annual fee of \$2,500 plus \$200 per Plan Participant. Additionally, we are available consulting services at an hourly rate of \$150
10. For the services we provide for Defined Benefit Pension Plans and Cash Balance Pension Plans, we charge an annualized fee based on the value of the Plan's assets. Please refer to the following table fee schedule:

Plan Assets Under Management	Annual Flat Fee
Less than \$5,000,000	\$2,500
Greater than \$5,000,000 but less than \$10,000,000	\$5,000
Greater than \$10,000,000 but less than \$15,000,000	\$7,500
Greater than \$15,000,000	\$10,000

FPL Capital Management's fees are exclusive of brokerage commissions, transaction fees, and other related costs and expenses which may be incurred by the client. Clients may will incur transaction fees for trades executed by their chosen custodian via individual transaction charges. These transaction fees are separate from FPL's advisory fees and will be disclosed by the chosen custodian. Schwab and TD Ameritrade do not charge transaction fees for U.S. listed equities and exchange traded funds. Fidelity eliminated transaction fees for U.S. listed equities and exchange traded funds for clients who opt into electronic delivery of statements or maintain at least \$1 million in assets at Fidelity. Clients who do not meet either criteria will be subject to transaction fees charged by Fidelity for U.S. listed equities and exchange traded funds.

Clients may also incur certain charges imposed by custodians, brokers, third party investment and other third parties such as fees charged by managers, custodial fees, deferred sales charges, odd-lot differentials, transfer taxes, wire transfer and electronic fund fees, and other fees and taxes on brokerage accounts and securities transactions. Mutual funds and exchange traded funds also charge internal management fees, which are disclosed in a fund's prospectus. Such charges, fees and commissions are exclusive of and in addition to FPL Capital Management's fee, and FPL Capital Management shall not receive any portion of these commissions, fees, and costs.

Item 12 further describes the factors that FPL Capital Management considers in selecting or recommending broker-dealers for *client* transactions and determining the reasonableness of their compensation (*e.g.*, commissions). FPL Capital Management and its representatives do not sell securities for a commission in advisory accounts.

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

FPL Capital Management does not charge any performance-based fees (fees based on a share of capital gains on or capital appreciation of the assets of a client).

Item 7 – Types of Clients

FPL Capital Management provides portfolio management services to individuals, high net worth individuals, corporate pension and profit-sharing plans, and trusts. Our minimum account size is \$500,000. The client may combine all household accounts to satisfy the required minimum. In some instances, we may waive the minimum for certain clients.

Clients who opt into electronic delivery of statement or maintain at least \$1 million in assets at Fidelity will not be charged transaction fees for U.S. listed equities and exchange traded funds.

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

Methods of Analysis

We take a fundamental approach to analyzing securities. When analyzing mutual funds and ETF's, FPL Capital Management may use various sources of information, including data provided by Morningstar Principia, proprietary fund company resources, and other online and subscription resources. We also consider the following factors when selecting funds:

- Investment objective
- Past performance
- Underlying assets
- Manager tenure

When analyzing individual stocks, we may use various sources of information, including www.DividendInvestor.com, Richard Band's Profitable Investing, and other online and subscription resources. We also consider the following factors when selecting individual stocks:

- Market cap
- Dividend payments
- Consecutive annual dividend increases
- Earnings

Investment Strategies

FPL Capital Management applies a passive investment strategy when investing client assets. We believe in investing in globally diversified portfolios while maintaining long-term investment horizons.

By holding an array of equity asset classes across domestic, international, and emerging markets, investors can reduce the impact of underperformance in a single market or region of the world. Although markets may experience varying levels of return correlation, this

diversification can further reduce volatility in a portfolio, which translates into higher compounded returns over time.

The portfolio design advice we provide is based upon long-term buy and hold investment strategies which incorporate principles of Modern Portfolio Theory. The aim of a well-constructed portfolio is to build a long-term design that reflects individual client's goals, timeline and financial situation. Thus, each portfolio design begins with a comprehensive overview of each client's unique life situation and risk tolerance.

Risk of Loss

Before investing, each client should carefully consider risks involved in investing the capital markets. The client should be prepared to experience volatility and fluctuations in portfolio value. Securities investments are not guaranteed and you may lose value in your investments.

There are other principal risks involved when investing. They are as follows:

Market Risk – Even a long-term investment approach cannot guarantee a profit. Economic, political, and issuer-specific events will cause the value of securities to rise or fall.

Value Investment Risk – Value stocks may perform differently from the market as a whole and following a value-oriented strategy may cause the portfolio to at times underperform equity funds that use other investment strategies.

Small Company Risk – Securities of small companies are often less liquid than those of large companies and this could make it difficult to sell a small company security at a desired time or price. As a result, small company stocks may fluctuate relatively more in price. In general, small capitalization companies are also more vulnerable than larger companies to adverse business or economic developments, and they may have limited resources.

Risks of Concentrating in the Real Estate Industry – The value of securities in the real estate industry can be affected by changes in real estate values and rental income, property taxes, interest rates, and tax and regulatory requirements. Investing in REIT's and REIT-like entities involves certain unique risks in addition to those risks associated with investing in the real estate industry in general. REIT's and REIT-like entities are dependent upon management skill, may not be diversified, and are subject to heavy cash flow dependency and self-liquidation. REIT's and REIT-like are also subject to the possibility of failing to qualify for tax free pass-through of income.

Foreign Securities and Currencies Risk – Foreign securities prices may decline or fluctuate because of: (a) economic or political actions of foreign governments, and/or (b) less regulated or liquid securities markets. Investors holding these securities are also exposed to foreign currency risk (the possibility that foreign currency will fluctuate in value against the U.S. dollar).

Emerging Markets Risk – Numerous emerging markets countries have a history of, and continue to experience serious, and potentially continuing, economic and political problems. Stock markets in many emerging market countries are relatively small, expensive to trade in and risky. Foreigners are often limited in their ability to invest in, and withdraw assets from, these markets. Additional restrictions may be imposed under other conditions.

Interest Risk – Fixed income securities are subject to interest rate risk because the prices of fixed income securities tend to move in the opposite direction of interest rates. When interest rates rise, fixed income security prices fall. When interest rates fall, fixed income security prices rise. In general, fixed income securities with longer maturities are more sensitive to these price changes.

Item 9 – Disciplinary Information

Registered investment advisers are required to disclose all material facts regarding any legal or disciplinary events that would be material to your evaluation of FPL Capital Management or the integrity of FPL Capital's management. FPL Capital Management has no information applicable to this Item.

Item 10 – Other Financial Industry Activities and Affiliations

FPL Capital Management does not have any arrangements or relationships with broker-dealers, mutual funds, or other investment advisers that may create any material conflict of interest for FPL Capital Management in providing our clients with investment advice.

FPL Capital Management has some clients who are involved in private real estate investments which may or may not be associated with George Properties LLC, a company in which Michael George is a member. These investments are completely separate from FPL Capital Management and are not based on any advice or recommendations from FPL Capital Management. These investments are placed as separate entities and FPL Capital Management is not held liable at any level.

Item 11 – Code of Ethics

FPL Capital Management has adopted a Code of Ethics for all supervised persons of the firm describing its high standard of business conduct, and fiduciary duty to its clients. The Code of Ethics includes provisions relating to the confidentiality of client information, a prohibition on insider trading, a prohibition of rumor mongering, restrictions on the acceptance of significant gifts and the reporting of certain gifts and business entertainment items, and personal securities trading procedures, among other things. All supervised persons at FPL Capital Management must acknowledge the terms of the Code of Ethics annually, or as amended.

FPL Capital Management anticipates that, in appropriate circumstances, consistent with clients' investment objectives, it will cause accounts over which FPL Capital Management has management authority to effect, and will recommend to investment advisory clients or prospective clients, the purchase or sale of securities in which FPL Capital Management, its affiliates and/or clients, directly or indirectly, have a position of interest. FPL Capital Management's employees and persons associated with FPL Capital Management are required to follow FPL Capital Management's Code of Ethics. Subject to satisfying this policy and applicable laws, officers, directors and employees of FPL Capital Management and its affiliates may trade for their own accounts in securities which are recommended to and/or purchased for FPL Capital Management's clients. The Code of Ethics is designed to assure that the personal securities transactions, activities and interests of the employees of FPL Capital Management will not interfere with (i) making decisions in the best interest of advisory clients and (ii) implementing such decisions while, at the same time, allowing employees to invest for their own accounts. Under the Code certain classes of securities have been designated as exempt transactions, based upon a determination that these would materially not interfere with the best interest of FPL Capital Management's clients. In addition, the Code requires pre-clearance of many transactions, and restricts trading in close proximity to client trading activity. Nonetheless, because the Code of Ethics in some circumstances would permit employees to invest in the same securities as clients, there is a possibility that employees might benefit from market activity by a client in a security held by an employee. Employee trading is continually monitored under the Code of Ethics, and to reasonably prevent conflicts of interest between FPL Capital Management and its clients.

Certain affiliated accounts may trade in the same securities with client accounts on an aggregated basis when consistent with FPL Capital Management's obligation of best execution. In such circumstances, the affiliated and client accounts will share commission costs equally and receive securities at a total average price. FPL Capital Management will retain records of the trade order (specifying each participating account) and its allocation, which will be completed prior to the entry of the aggregated order. Completed orders will be allocated as specified in the initial trade order. Partially filled orders will be allocated on a pro rata basis. Any exceptions will be explained on the Order.

FPL Capital Management's clients or prospective clients may request a copy of the firm's Code of Ethics by contacting Virajith Wijeweera.

Item 12 - Brokerage Practices

FPL Capital Management recommends that all investment management accounts be maintained at brokers, such as Schwab, Fidelity, and/or TD Ameritrade.

FPL Capital Management will be granted written discretionary authority with respect to securities purchased, the amount of securities to be bought or sold, the broker or dealer to be used, and the commission rates paid. The Investment Management Services Agreement will define any limitations to FPL Capital Management's discretionary authority.

FPL Capital Management will utilize Schwab, Fidelity, or TD Ameritrade to execute its client transactions. Factors considered by FPL Capital Management for the selection of a broker-dealer include the broker's ability to provide professional services, competitive commission rates, and other services, which will help FPL Capital Management provides portfolio management services to its clients.

Schwab, Fidelity, or TD Ameritrade may charge brokerage commissions for executing securities transactions. FPL Capital Management does not receive any compensation for these separate charges.

Schwab and TD Ameritrade recently eliminated transaction fees for U.S. listed equities and exchange traded funds. Fidelity recently eliminated transaction fees for U.S. listed equities and exchange traded funds for clients who opt into electronic delivery of statements or maintain at least \$1 million in assets at Fidelity.

Soft Dollars

FPL Capital Management does not receive soft dollars in excess of what is allowed by Section 28(e) of the Securities Exchange Act of 1934. The safe harbor research products and services obtained by FPL Capital Management will generally be used to service all our clients but not necessarily all at any one particular time.

Client Brokerage Commissions

Neither Schwab, Fidelity, nor TD Ameritrade make client brokerage commissions generated by client transactions available for FPL Capital Management's use.

Client Transaction in Return for Soft Dollars

FPL Capital Management does not direct client transactions to a particular broker-dealer in return for soft dollar benefits.

Brokerage for Client Referrals

FPL Capital Management does not receive brokerage for client referrals.

Directed Brokerage

In certain instances, clients may seek to limit or restrict our discretionary authority in making the determination of the brokers with whom orders for the purchase or sale of securities are placed for execution, and the commission rates at which such securities transactions are effected. Clients may seek to limit our authority in this area by directing that transactions (or some specified percentage of transactions) be executed through specified brokers in return for portfolio evaluation or other services deemed by the client to be of value. Any such client direction must be in writing (often through our advisory agreement), and may contain a representation from the client that the arrangement is permissible under its governing laws and documents, if this is relevant.

FPL Capital Management provides appropriate disclosure in writing to clients who direct trades to particular brokers, that with respect to their directed trades, they will be treated as if they have retained the investment discretion that we otherwise would have in selecting brokers to effect transactions and in negotiating commissions and that such direction may adversely affect our ability to obtain best price and execution. In addition, FPL Capital Management will inform clients in writing that the trade orders may not be aggregated with other clients' orders and that direction of brokerage may hinder best execution.

Special Consideration for ERISA Clients

A retirement or ERISA plan client may direct all or part of portfolio transactions for its account through a specific broker or dealer in order to obtain goods or services on behalf of the plan. Such direction is permitted provided that the goods and services provided are reasonable expenses of the plan incurred in the ordinary course of its business for which it otherwise would be obligated and empowered to pay. ERISA prohibits directed brokerage arrangements when the goods or services purchased are not for the exclusive benefit of the plan. Consequently, our firm will request that plan sponsors who direct plan brokerage

provide us with a letter documenting that this arrangement will be for the exclusive benefit of the plan.

Client-Directed Brokerage

FPL Capital Management does not allow client-directed brokerage outside our recommendations.

Item 13 - Review of Accounts

Accounts are reviewed on at least a quarterly basis by the senior portfolio manager of FPL Capital Management, Michael George, or a designated associated person. Periodically, a more frequent review may be required due to a client's request, a change in the client's financial situation or a change in asset allocation, and market conditions.

No less than annually, FPL Capital Management will conduct a review of each account to review performance, portfolio allocation, reallocation of assets, and client consultation.

Clients receive transaction confirmations on all transactions in their account on a trade-by-trade basis. Depending on account activity, client receives a monthly or quarterly statements from the custodian that documents positions, balances, account activity, and current market value. FPL Capital Management also provides quarterly reports detailing performance of the account, positions and activity.

Item 14 - Client Referrals and Other Compensation

Client Referrals

FPL Capital Management occasionally receives client referrals. The referrals come from current clients, accountants, physicians, attorneys, and personal contacts. FPL Capital Management does not compensate any individual or entity for client referrals.

FPL Capital Management refers clients or prospective clients to other unaffiliated professionals for estate and trust planning, and accounting needs.

Other Compensations

FPL Capital Management does not receive other types of compensation. FPL Capital is entirely fee-only and is only compensated by the advisory fees charged to client.

Item 15 – Custody

Deduction of Advisory Fees

While FPL Capital Management does not maintain physical custody of client assets (which are maintained by a qualified custodian, as discussed above), we are deemed to have custody of certain client assets if given the authority to withdraw assets from client accounts, as further described below under “Third Party Money Movement.” All our clients receive account statements directly from their qualified custodian(s) at least quarterly upon opening of an account. We urge our clients to carefully review these statements. Additionally, if FPL Capital Management decides to send its own account statements to clients, such statements will include a legend that recommends the client compare the account statements received from the qualified custodian with those received from us. Clients are encouraged to raise any questions with us about the custody, safety or security of their assets and our custodial recommendations.

Third Party Money Movement

On February 21, 2017, the SEC issued a no-action letter (“Letter”) with respect to Rule 206(4)-2 (“Custody Rule”) under the Investment Advisers Act of 1940 (“Advisers Act”). The letter provided guidance on the Custody Rule as well as clarified that an adviser who has the power to disburse client funds to a third party under a standing letter of instruction (“SLOA”) is deemed to have custody. As such, our firm has adopted the following safeguards in conjunction with our recommended custodians:

- The client provides an instruction to the qualified custodian, in writing, that includes the client’s signature, the third party’s name, and either the third party’s address or the third party’s account number at a custodian to which the transfer should be directed.
- The client authorizes the investment adviser, in writing, either on the qualified custodian’s form or separately, to direct transfers to the third party either on a specified schedule or from time to time.
- The client’s qualified custodian performs appropriate verification of the instruction, such as a signature review or other method to verify the client’s authorization and provides a transfer of funds notice to the client promptly after each transfer.
- The client has the ability to terminate or change the instruction to the client’s qualified custodian.
- The investment adviser has no authority or ability to designate or change the identity of the third party, the address, or any other information about the third party contained in the client’s instruction.
- The investment adviser maintains records showing that the third party is not a related party of the investment adviser or located at the same address as the investment adviser.

- The client's qualified custodian sends the client, in writing, an initial notice confirming the instruction and an annual notice reconfirming the instruction.

Item 16 - Investment Discretion

FPL Capital Management usually receives discretionary authority from the client at the outset of an advisory relationship to select the identity and amount of securities to be bought or sold. In all cases, however, such discretion is to be exercised in a manner consistent with the stated investment objectives for the particular client account.

When selecting securities and determining amounts, FPL Capital Management observes the investment policies, limitations and restrictions of the clients for which it advises.

FPL Capital Management utilizes both discretionary and non-discretionary management options over client accounts.

Under the discretionary management option, at the outset of an advisory relationship with FPL Capital Management, the client agrees upon an investment policy statement. Then, FPL Capital Management may place trades in the account without receiving client approval.

Under the non-discretionary management option, at the outset of an advisory relationship with FPL Capital Management, the client agrees upon an investment policy statement. Then, FPL Capital Management places trades in the account only with prior client approval.

Item 17 - Voting *Client* Securities

FPL Capital Management does have authority to and does vote proxies on behalf of advisory clients. However, a client who wishes to vote his or her own proxies may do so by sending a written request to our office. FPL Capital Management also may provide advice to clients regarding the clients' voting of proxies.

In general, we will determine how to vote proxies based on our reasonable judgment of that vote most likely to produce favorable financial results for our clients. Proxy votes generally will be cast in favor of proposals that maintain or strengthen the shared interests of shareholders and management, increase shareholder value, maintain or increase shareholder influence over the issuer's board of directors and management, and maintain or increase the rights of shareholders; proxy votes generally will be cast against proposals having the opposite effect. However, we will consider both sides of each proxy issue.

Consistent with the Company's paramount commitment to the financial investment goals of our clients, social considerations will not be considered absent contrary instructions by a client. If any vote would cause a possible conflict of interest, we will contact the client for consent prior to casting a vote on behalf of client.

Clients may obtain information about how the proxies pertaining to the client's account were voted by emailing us at Info@FPLCapital.com.

Item 18 - Financial Information

FPL Capital Management is not required to provide financial information in this Brochure because:

- We do not require the prepayment of more than \$1,200 in fees when services cannot be rendered within six months.
- We do not take custody of client funds or securities.
- 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.