

**Item 1 Cover Page**

**Form ADV, Part 2A  
Firm Brochure**

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**February 1, 2024**

This brochure provides information about the qualifications and business practices of Aegis Capital Corporation (“Aegis”). If you have any questions about the contents of this brochure, please contact us at: 212-813-1010, or by email at: [info@aegiscap.com](mailto:info@aegiscap.com). The information in this brochure has not been approved or verified by the United States Securities and Exchange Commission, or by any state securities authority.

Additional information about Aegis is available on the SEC’s website at [www.adviserinfo.sec.gov](http://www.adviserinfo.sec.gov)

**Registration with the SEC or with any state securities authority does not imply a certain level of skill or training.**

## **Item 2 Material Changes**

This Brochure is dated February 1, 2024. Clients should carefully review this Brochure in its entirety. Aegis has made the following material and other updates since the previous Brochure was filed on February 27, 2023.

### **Material Changes since the Last Update**

Item 4 Advisory Business sub section title Termination of an Agreement has been updated since the last update. This section has been added to address the termination of an agreement by the client.

Item 5 Fees and Compensation sub section Description has been updated since the last update. This section has been updated to provide a clear description of how fees are charged.

### **Full Brochure Available**

If you would like to receive a complete copy of our Brochure, **including Form ADV Parts 2A, 2B, and 3**, please contact us by telephone at: 212-813-1010 or by email at: [info@aegiscap.com](mailto:info@aegiscap.com).

### Item 3 Table of Contents

<b>Material Changes</b> .....	<b>2</b>
Annual Update.....	
Material Changes since the Last Update .....	
Full Brochure Available .....	
<b>Advisory Business</b> .....	<b>5</b>
Firm Description .....	
Principal Owners .....	
Types of Advisory Services and Programs .....	
Programs Offered.....	
Types of Relationships.....	
Client Agreement for Asset Management.....	
Termination of Agreement .....	
<b>Fees and Compensation</b> .....	<b>11</b>
Description.....	
Fee Billing.....	
Valuation.....	
Other Fees .....	
Expense Ratios .....	
Past Due Accounts and Termination of Agreement .....	
<b>Performance-Based Fees</b> .....	<b>15</b>
Sharing of Capital Gains .....	
<b>Types of Clients</b> .....	<b>15</b>
Description .....	
Account Minimums .....	
<b>Methods of Analysis, Investment Strategies and Risk of Loss</b> .....	<b>16</b>
Methods of Analysis.....	
Investment Strategies .....	
Risk of Loss.....	
<b>Disciplinary Information</b> .....	<b>19</b>
Legal and Disciplinary .....	
<b>Other Financial Industry Activities and Affiliations</b> .....	<b>20</b>
Financial Industry Activities .....	
Affiliations .....	
<b>Code of Ethics, Participation or Interest in Client Transactions and Personal Trading</b> .....	<b>21</b>
Code of Ethics.....	

Participation or Interest in Client Transactions .....	
Personal Trading .....	
<b>Brokerage Practices.....</b>	<b>23</b>
Selecting Brokerage Firms .....	
Best Execution .....	
<b>Review of Accounts.....</b>	<b>24</b>
Periodic Reviews.....	
Review Triggers.....	
Regular Reports.....	
<b>Client Referrals and Other Compensation.....</b>	<b>24</b>
Incoming Referrals.....	
Referrals Out .....	
Other Compensation .....	
<b>Custody.....</b>	<b>25</b>
Account Statements.....	
Performance Reports.....	
Net Worth Statements .....	
<b>Investment Discretion.....</b>	<b>26</b>
Discretionary Authority for Trading .....	
Limited Power of Attorney .....	
<b>Voting Client Securities.....</b>	<b>26</b>
Proxy Votes.....	

## Item 4 Advisory Business

### Firm Description

Aegis Capital Corp. (“Aegis”) was founded in 1984.

Aegis is engaged in a number of financial services businesses, including the offering of investment advisory services, annuities, insurance, stocks, bonds, mutual funds, and investment banking. Aegis is registered as a broker-dealer and investment adviser with the U.S. Securities and Exchange Commission (the “SEC”) and is a member of the Financial Industry Regulatory Authority (“FINRA”). Aegis is also an SEC-registered investment adviser (the “Adviser”).

*Investing in securities involves a risk of loss that clients must be prepared to bear. The investment performance and success of any particular investment cannot be predicted or guaranteed, and the value of a client’s investments will fluctuate due to market conditions and other factors. Investments are subject to various risks including, but not limited to, market, liquidity, currency, economic and political risks, and will not necessarily be profitable. Past performance of investments is not indicative of future performance.*

Periodic account reviews are communicated to clients to provide reminders of the specific courses of action that need to be taken. More frequent reviews may occur but are not necessarily communicated to the client unless immediate changes are recommended.

Other professionals (e.g., lawyers, accountants, insurance agents, etc.) must be engaged directly by the client on an as-needed basis. Conflicts of interest will be disclosed to the client in the event they should occur. Please see the Adviser’s Form CRS and Supplemental Disclosure document (accessible at <https://www.aegiscapcorp.com/disclosures>) regarding conflicts of interest.

An initial meeting is free of charge and is considered an exploratory, information gathering interview to determine the extent to which financial planning and investment management may be beneficial to the client.

### Principal Owners

The principal owner of Aegis is Aegis Capital Holding Corp, which is owned by Mr. Robert J Eide.

### Managed Assets

As of December 31, 2023 Adviser manages approximately \$1,282,090,691 in assets for approximately 2,479 clients. Approximately \$391,128,314 is managed on a discretionary basis, and \$890,962,376 is managed on a non-discretionary basis.

### Types of Advisory Services and Programs

Adviser provides investment advisory services, also known as asset management services, manages investment advisory accounts and furnishes investment advice through consultations. Adviser offers clients both discretionary and non-discretionary accounts. In a discretionary account or “Managed Program”, the customer gives the portfolio manager the authorization to make purchases and sales in the account without first obtaining the customer’s permission. In a non-discretionary account or “Directed Program” a portfolio manager must obtain the client’s permission to make purchases and sales. Each of the

Managed Programs and the Directed Programs as defined and described below are referred to individually as “a Program” and all Programs offered by the Adviser are referred to collectively as “the Program”.

Upon the client’s request, Adviser may (i) assist the client in the review, evaluation and/or formulation of the client’s investment objective and risk tolerance and/or (ii) identify for the client a target asset allocation for the account based on information the client provides to Adviser and assist the client in connection with portfolio construction. The client is solely responsible for making all decisions regarding the adoption and implementation of the client’s investment objective, risk tolerance and target asset allocation. When the client adopts a particular target asset allocation, the actual asset allocation of the client’s Program account may change over time due to fluctuations in the market value of account assets, client additions or withdrawals and/or investment decisions by the client that deviate from Adviser’s advice or the target allocation. A change in the information provided to Adviser or other circumstances may warrant a change to the client’s investment objective, risk tolerance or target asset allocation. Generally, Adviser will contact the client semi-annually as part of a Portfolio Review to assist the client in ensuring that the account remains consistent with the client’s investment objective and risk tolerance and within appropriate asset allocation parameters and other Program guidelines. The client retains final decision-making authority and responsibility for the selection of, and any changes to, the investment objective, risk tolerance and the target and/or actual asset allocation.

Adviser generally permits clients to place unsolicited orders for the purchase and/or sale of securities in Program accounts, subject to any limits, restrictions and/or conditions Adviser may choose to enforce on such orders and Advisers’ right, in its sole discretion, to decline to accept or effect such an order in a Program account at any time, with or without prior notice to the client.

#### **Programs Offered**

- RBC Unbundled Managed Account Solutions Program (“uMAS”)
  - RBC uMAS Advisor Managed Program (discretionary management)
  - RBC uMAS Advisor Directed Program (non-discretionary management)
- RBC Advisor Program (non-discretionary management)
- RBC Consulting Solutions Program (discretionary management)
- RBC Unified Portfolio Program (discretionary management)
- AXOS Unbundled Managed Account Solutions Program (“uMAS”)
  - AXOS uMAS Advisor Managed Program (discretionary management)
  - AXOS uMAS Advisor Directed Program (non-discretionary management)
- **RBC Unbundled Managed Account Solutions Program (“uMAS”)**

The RBC uMAS platform offers an A La Carte management offering with performance reporting, flexible billing options and comprehensive portfolio management tools. Services may include market commentary, summary reports, risk comparison statistics, asset allocation, active management, market values, cash flows, and portfolio evaluation. Outside money manager portfolios may also be included with the program. The uMAS program also allows the IA Rep to provide the client with customized, professional investment advice. The IA Rep develops an asset allocation strategy suited to the client’s best interest, objective and risk tolerance. uMAS accounts may be a non-discretionary/Directed Program or discretionary/Managed Program, as described in each advisory agreement.

  - **RBC uMAS Advisor Managed Program (discretionary management)**

To participate in the RBC uMAS Advisor Managed Program clients are required to complete and execute, among other things, an Investment Advisory Client Agreement (the “Client Agreement”) for any Program account(s). In the Client Agreement, client grants Adviser authority to manage their accounts on a discretionary basis, subject to any reasonable investment restrictions and/or any

written investment guidelines or policies that the client has provided to Adviser and Adviser has accepted by notifying the client in writing of such acceptance. Each client's grant of discretion to Adviser typically includes the client's authorization of Adviser to invest in securities and other investments of any nature whatsoever, at the time and in the manner that Adviser determines, and to act on the client's behalf in all other matters necessary or incidental to the handling of the account, without having to first obtain an "order" or "authorization" from the client or discussing these transactions or actions with the client in advance. One or more Adviser Investment Adviser Representatives ("IA Reps"), who are employees/contractors and investment adviser representatives of the Adviser and registered representatives of the Aegis broker-dealer, will generally be directly responsible for making the investment decisions for the account and will be reasonably available to discuss the management of the account with the client. Each IA Rep typically manages his or her clients' Program accounts in accordance with the Adviser's individual investment style(s) and strategy or strategies, taking into consideration each client's financial situation and investment objective for the Program account.

- **RBC uMAS Adviser Directed Program (non-discretionary management)**

To participate in the RBC uMAS Adviser Directed Program, clients are required to complete and execute a Client Agreement and one or more IA Reps, who are employees/contractors and registered representatives of Adviser, will advise the client's account in a Program on a non-discretionary basis and provide information and advice in accordance with the client's investment objective and risk tolerance. This advice may include recommendations to purchase or sell assets in the account; however, the client retains sole discretion for final investment decisions, including selecting securities in which to invest and quantities to purchase and/or sell. Because Program accounts are advised on a non-discretionary basis, the client's IA Rep will purchase, sell or otherwise trade securities or other investments for the account only after the client has instructed/authorized Adviser to affect the transaction.

- **RBC Advisor Program (non-discretionary management)**

The RBC Advisor Program is a non-discretionary account whereby an IA Rep will make recommendations and assist the client in developing a portfolio of investments which can include a mix of individual stocks, bonds, mutual funds, ETFs and other securities. Clients have the option of automatic rebalancing for accounts invested solely in mutual funds and cash in accordance with pre-determined models. The IA Rep will not have discretionary authority as a portfolio manager for the account. The IA Rep works on a non-discretionary basis to recommend a portfolio of investments appropriate for the client. Client should refer to the RBC disclosure brochure for additional information regarding the RBC Advisor Program.

- **RBC Consulting Solutions Program (discretionary management)**

The Consulting Solutions Program is an advisory program through which accounts are managed by one or more third-party professional investment managers on a discretionary basis. Adviser will provide you with information on investment managers whose investment philosophy and objectives may be compatible with your Client Profile. RBC makes available third-party investment managers who meet certain eligibility requirements for participation in a Program. In the Consulting Solutions Program, you will sign an investment advisory agreement with RBC and Adviser. You do not sign a separate agreement with the third-party investment manager. Please see the RBC Program Brochure for additional information.

- **RBC Unified Portfolio Program (discretionary management)**

RBC Unified Portfolio is a unified managed account "UMA" program through which your account is professionally managed on a discretionary basis by RBC as Overlay Manager or a third-party Overlay Manager, Envestnet. The Overlay Manager manages the account through investments in mutual

funds, ETPs, and/or in accordance with one or more model portfolios all in a single account. Your IA Rep will provide you with information on mutual funds, ETPs, and/or model portfolios representing different investment styles and strategies that are compatible with your client profile. The management of your account may include tax overlay management services and/or personal conviction overlay screens. If you elect tax overlay management services and/or personal conviction overlay screens, your account will be managed by Envestnet as Overlay Manager. Accounts not electing tax overlay management services and/or personal conviction overlay screens will be managed by RBC as Overlay Manager. Please see the RBC Program Brochure for additional information.

- **AXOS Unbundled Managed Account Solutions (uMAS) Program**

The AXOS uMAS platform offers an A La Carte management offering with performance reporting, flexible billing options and comprehensive portfolio management tools. Services may include market commentary, summary reports, risk comparison statistics, asset allocation, active management, market values, cash flows, and portfolio evaluation. Outside money manager portfolios may also be included with the program. The uMAS program also allows the IA Rep to provide the client with customized, professional investment advice. The IA Rep develops an asset allocation strategy suited to the client's best interest, objective and risk tolerance. uMAS accounts may be a non-discretionary/Directed Program or discretionary/Managed Program, as described in each advisory agreement.

- **AXOS uMAS Advisor Managed Program (discretionary management)**

To participate in the Program, clients are required to complete and execute, among other things, an Investment Advisory Client Agreement (the "Client Agreement") for any Program account(s). In the Client Agreement, client grants Adviser authority to manage their accounts on a discretionary basis, subject to any reasonable investment restrictions and/or any written investment guidelines or policies that the client has provided to Adviser and Adviser has accepted by notifying the client in writing of such acceptance. Each client's grant of discretion to Adviser typically includes the client's authorization of Adviser to invest in securities and other investments of any nature whatsoever, at the time and in the manner that Adviser determines, and to act on the client's behalf in all other matters necessary or incidental to the handling of the account, without having to first obtain an "order" from the client or discussing these transactions or actions with the client in advance. One or more Adviser Investment Adviser Representatives ("IA Reps"), who are employees, contractors and IA Reps of the Adviser and registered representatives of the Aegis broker-dealer, will generally be directly responsible for making the investment decisions for the account and will be reasonably available to discuss the management of the account with the client. Each IA Rep typically manages his or her clients' Program accounts in accordance with the Adviser's individual investment style(s) and strategy or strategies, taking into consideration each client's best interest, risk tolerance, financial situation and investment objective for the Program account.

- **AXOS uMAS Advisor Directed Program (non-discretionary management)**

To participate in the AXOS uMAS Advisor Directed Program, clients are required to complete and execute a Client Agreement and one or more IA Reps, who are employees/contractors and registered representatives of Adviser, will advise the client's account in a Program on a non-discretionary basis and provide information and advice in accordance with the client's investment objective and risk tolerance. This advice may include recommendations to purchase or sell assets in the account; however, the client retains sole discretion for final investment decisions, including selecting securities in which to invest and quantities to purchase and/or sell. Because Program accounts are advised on a non-discretionary basis, the client's IA Rep will purchase, sell or otherwise trade securities or other investments for the account only after the client has instructed/authorized Adviser to affect the transaction.

## **Trade Execution, Clearing, Settlement, Custody, and Reporting Services**

Adviser typically provides Program clients not only with investment advice but also with trade execution, clearing, settlement, custody and reporting services. In other words, the Aegis broker-dealer generally executes the trades for Program accounts and generally provides through RBC/AXOS trade clearing and settlement services and custody of client assets in a Program, which includes receiving and crediting to Program accounts all interest, dividends and other distributions that RBC/AXOS receives on assets in the accounts.

When provided by RBC/AXOS, some or all of the trade executions, clearing, settlement and custodial services may be included in a Program fee paid by the client (see client agreement for execution/transaction costs). When they are provided by another executing broker-dealer or custodian – either because applicable law requires it or upon the client’s request and Adviser’s consent – they are not included in the Program fee and the other broker-dealer and/or custodian are entirely responsible for the execution, clearing, and/or settlement of the transaction and/or custody of the client’s Program account assets. When RBC/AXOS executes transactions for Program clients, the division of RBC/AXOS that handles the execution may receive compensation (or compensation credits) from Aegis.

In general, Adviser may provide clients with periodic written performance reviews of their accounts in the Program, which are further described in other parts of this Brochure. However, certain Program accounts may not receive such reviews; in its discretion, Adviser may not provide a client with written performance reviews for a Program account if, for example, the account’s assets are not custodied by RBC/AXOS or Adviser concludes that the nature of the investment strategy used or securities held in the account makes valuation, performance measurement or performance benchmarking too difficult, infeasible or insufficiently valid or useful to the client.

## **Tailored Relationships**

Client retains sole authority for the review, analysis and ultimate selection of his/her IA Rep or third party manager and whether to grant discretion over their account to the IAR Rep or any third-party manager. The risk tolerance, goals and objectives, among other things, chosen by each client are documented in the new account form. Investment management or recommendations reflect the stated risk, goals and objective. Clients may impose restrictions on investing in certain securities or types of securities. The IA Rep responsible for managing client accounts in the Program may be freely contacted by clients, and is reasonably available for consultation with clients, regarding their Program accounts.

## **Client Profile**

Prior to the opening of an account in the Program, the client is asked to create a “Client Profile” by providing the Adviser and IA Rep with information about the client’s financial circumstances (including net worth and annual income), the client’s investment objective for the account, any reasonable restrictions the client wishes to impose on the management of the account, and any written investment policy or guidelines to which the client would like to subject the account. Investment policies and guidelines submitted by clients for Program accounts are subject to Adviser’s acceptance in its sole discretion; if Adviser declines to accept an investment policy or guidelines for a Program account, the client may choose either to agree that the account will be managed in the Program without reference to the investment policy or guidelines or to decide not to maintain the account in the Program.

The investment objective identified by the client for an account in the Program will apply to the account as long as the client has an account with the Adviser (unless the client subsequently changes the investment

objective by notifying the Adviser and IA Rep in writing), notwithstanding any different investment objective previously identified by the client for the account when it was a brokerage account or invested according to a different Program offered by Adviser. If the account is terminated and becomes a brokerage account outside the Program, the investment objective identified by the client for the account will apply to the account.

Clients are responsible for promptly notifying the Adviser and IA Rep, in writing, of any changes to the information the client previously provided to Adviser (including financial information and the investment objective for the account) and for providing Adviser with additional information as it may request from time to time to assist it in providing services under the Program. Adviser will generally contact each client in the Program at least annually to determine whether there have been any changes in the client's financial situation or investment objective for the account and whether the client wishes to impose any reasonable restrictions on the management of the account or reasonably modify any existing conditions. At least quarterly, Adviser will generally notify each client in writing to contact the Adviser and IA Rep if there have been any changes in the client's financial situation or investment objective or if the client wishes to impose any reasonable restrictions on the management of the account or reasonably modify any existing restrictions. Adviser will have no liability for a client's failure to provide Adviser with accurate or complete information or to inform Adviser promptly of any change in information previously provided by the client.

Clients should be aware that any client-imposed investment restrictions, policy or guidelines may cause the Adviser or IA Rep to deviate from the investment decisions he or she would otherwise make in managing a Program account and as a result may negatively affect the performance of the account. The termination or removal of the account from a Program also terminates any prior acceptance by Adviser of any such restrictions, policy or guidelines in connection with the account and such restrictions, policy and guidelines will not be applicable to the account as a brokerage account or other account outside of the Program.

### **Types of Relationships**

The following agreements define the typical client relationships.

#### **Financial Planning Agreement**

A financial plan is designed to help the client with all aspects of financial planning without ongoing investment management after the financial plan is completed.

The financial plan may include, but is not limited to: a net worth statement; a cash flow statement; a review of investment accounts, including reviewing asset allocation and providing repositioning recommendations; strategic tax planning; a review of retirement accounts and plans including recommendations; a review of insurance policies and recommendations for changes, if necessary; one or more retirement scenarios; estate planning review and recommendations; and education planning with funding recommendations.

Detailed investment advice and specific recommendations are provided as part of a financial plan. Implementation of the recommendations is at the discretion of the client.

In the event that the client's situation is substantially different than disclosed at the initial meeting, a revised fee will be provided for mutual agreement. The client must approve the change of scope in advance of the additional work being performed when a fee update is necessary.

## Client Agreement for Asset Management

Most clients choose to have the Adviser manage their assets in order to obtain ongoing in-depth advice and life planning. All aspects of the client's financial affairs are reviewed. Realistic and measurable goals are set and objectives to reach those goals are defined. As goals and objectives change over time, suggestions are made and implemented on an ongoing basis.

The scope of work and fee for a Client Agreement is provided to the client in writing prior to the start of the relationship, and typically includes cash flow and investment management.

The annual Client Agreement fee is based on a percentage of the investable assets. Although the Client Agreement is an ongoing agreement and regular adjustments are required, the length of service to the client is at the client's discretion. The client or the investment manager may terminate a Client Agreement by written notice to the other party pursuant to the terms of the Client Agreement.

### Termination of an Agreement

A client may terminate the aforementioned agreements at any time by notifying Adviser in writing pursuant to the terms of the relevant agreement. Adviser may terminate any of the aforementioned agreements at any time by notifying the client in writing.

If a client terminates its advisory relationship with the Adviser within a calendar quarter, the client understands that Adviser may retain the entire fee collected for that calendar quarter. For the avoidance of doubt, the management fee may not be pro-rated and the Adviser may not refund any part of it to the client.

## Item 5 Fees and Compensation

### Description

Adviser bases its compensation and fees primarily on a percentage of assets under management.

If most transaction costs are charged to the client

On the first \$250,000 of assets the maximum fee is 2.50%, on the next \$750,000 the maximum fee is 2.25% and any assets over \$1,000,000 the maximum fee is 2.00%.

If most transaction costs are charged to the Adviser:

On the first \$250,000 of assets the maximum fee is 3.00%, on the next \$750,000 the maximum fee is 2.75% and any assets over \$1,000,000 the maximum fee is 2.50%.

There are three different ways that the fee may be charged on your account; **Floating Rate, Incremental Rate or Fixed Rate**. The Client Agreement will indicate which fee choice will be in effect for your account.

**Floating Rate** – the account will be charged a pro-rated portion of the annual percentage fee based on the total AUM of the account at the time of billing (quarterly) according to the table in the Client Agreement; this rate may change each billing period depending on the account value. The rate will potentially “float” according to the account value.

**Incremental Rate** – each AUM tier of the account will be charged a different pro-rated portion of the annual percentage fee at the time of billing (quarterly) according to the table in the Client Agreement; each tier may be charged a different rate. The rate will potentially be charged in “increments” according to the account value.

**Fixed Rate** – the account will be charged the same pro-rated portion of the annual percentage fee of the AUM at the time of billing (quarterly) according to the percentage indicated in the Client Agreement. The rate is “fixed” regardless of the account value.

Adviser may negotiate the amount and calculation of the fee and any other fees charged by Adviser for services not covered by the fee based on a number of factors, including the type and size of the account, anticipated level of trading activity, services provided to the account, historical factors and the scope of the client’s relationship with Adviser. In addition, Adviser’s negotiation of the fee is generally subject to certain guidelines based on the total value of assets invested, or expected to be invested, by the client across Adviser’s various investment advisory programs.

The amount of the fee will be specified in the Client Agreement provided to the client. The fee charged to a client may be higher or lower than the fee Adviser charges other clients in investment advisory programs, and/or the cost of similar services offered through other financial firms.

The Aegis broker-dealer generally charges \$10.00 per transaction for executing transactions. A portion of the transaction fee is additional revenue to Aegis. Clients must also consult the RBC and AXOS Fee Schedules for fees that the Adviser generally passes through to clients (see additional discussion of “Other Fees” below).

Aegis typically pays a portion of the fee it receives from each client in the Program to the IA Rep of that client. The exact portion of the fee paid by Aegis to IA Reps may vary and also may depend on IA Reps’ overall annual revenue production.

Because the amount received by Aegis and an IA Rep as a result of a client’s participation in the Program may be more than the IA Rep would receive if the client participated in another Program or paid separately for all investment advice, brokerage, and other services, the IA Rep may have a financial incentive to recommend one Program over other Programs or services.

Participation in a particular Program may also cost the client more or less than purchasing the services provided in a Program separately. The factors that bear upon the relative cost of the Program include: (i) the cost of the services if provided and charged for separately; (ii) the fee charged to the client in the Program; (iii) the trading activity in the client’s account; and (iv) the quality and value of the services provided.

For example, IA Reps may utilize a “buy-and-hold” investment strategy that generally seeks investments intended to be held on a long-term basis. Program accounts invested according to such a strategy may experience less trading activity and lower turnover than accounts invested according to a shorter-term strategy. Therefore, because the client pays the full fee regardless of the low number of transactions in the account, such an account increases the likelihood that the client would pay less for the Program’s services (including brokerage services) by participating in one of the other programs rather than an RBC/AXOS-sponsored program, which would incur an increased program fee.

## **Fee Billing**

Investment management fees are billed quarterly in advance, meaning that we bill/charge you/your account before the three-month billing period has begun. Payment in full is expected upon invoice presentation. Fees are usually deducted from a designated client account to facilitate billing. The client must consent in advance to direct debiting of their investment account. If a client terminates its advisory relationship with the Adviser within a calendar quarter, the client understands that Adviser may retain the entire fee collected for that calendar quarter. For the avoidance of doubt, the management fee may not be pro-rated and the Adviser may not refund any part of it to the client.

### **Other Fees**

The Program fee does not cover, and is in addition to, commissions, commission equivalents (“mark-ups” or “mark-downs”) or other charges resulting from transactions not effected by RBC/AXOS or clearing, settlement and custody services provided by a custodian other than RBC/AXOS. (In certain circumstances and subject to certain requirements, and in Adviser’s sole discretion, Adviser may allow a client to specify in writing that a third-party custodian be used for the provision of such services.) The fee also does not cover certain costs or charges that may be imposed by RBC/AXOS or third parties, (e.g., for overlay or other services), including costs associated with using margin (including margin interest), exchanging foreign currencies, borrowing fees on short sales, odd-lot differentials, activity assessment fees, transfer taxes, exchange fees, wire transfer fees, postage fees, auction fees, foreign clearing, and other fees or taxes required by law.

In addition, the fee does not cover “mark-ups,” “mark-downs” or “dealer spreads” charged by dealers unaffiliated with Adviser or RBC/AXOS when Adviser or RBC/AXOS, acting as agent for the client in the Program, effects a transaction with an unaffiliated dealer acting as principal (i.e., for the dealer’s own account), typically in connection with certain fixed income and over-the-counter securities that are traded primarily in “dealer” markets. Such “mark-ups” on securities bought by the client, “mark-downs” on securities sold by the client and “dealer spreads” (the difference between the bid price and offer price) are generally incorporated into the net price that the client pays or receives in the transaction.

Similarly, the fee does not cover “dealer spreads” that the Aegis broker-dealer or RBC/AXOS may charge when the Aegis broker-dealer or RBC/AXOS, to the extent permitted by applicable law, acts as principal in effecting a transaction in a Program account. However, the Aegis broker-dealer or RBC/AXOS will not charge, and the net price paid or received by the client will not incorporate, any “mark-up” or “mark-down” in connection with such principal transaction. Principal transactions are typically not done in managed accounts however in certain circumstances a client may authorize a principal transaction via a disclosure form.

In addition, clients will pay the public offering price on any securities purchased from an underwriter or dealer involved in a distribution, a portion of which may be paid to the Aegis broker-dealer or RBC/AXOS as an underwriting or other fee that is not included in the fee.

Adviser may recommend that Program clients invest account assets in open-end mutual funds (including money market funds), closed-end funds, exchange-traded funds (“ETFs”), and other pooled investment vehicles that have various internal fees and expenses (e.g. management fee, 12b-1 fees, etc.), which are paid by such funds but ultimately are borne by the client as fund shareholder. These internal fees and expenses are in addition to the fee Adviser receives from the client in respect of the value of the client’s assets invested in the funds in the client’s Program account, and the Program client is not entitled to any refund of the funds’ internal fees and expenses ultimately borne by the client or other offset against the fee. Assets of Program clients may be invested in a share class of a mutual fund with internal fees and expenses that are higher than one or more other share classes of the fund.

Certain classes of shares of mutual funds entail the payment by the client of an upfront sales charge or front-end load or contingent deferred sales charge (also known as a “CDSC” or “back-end load”) upon the client’s purchase, sale or redemption of the fund shares. Such share classes are not eligible for purchase by clients in the Program. However, to the extent a client transfers such shares into a Program account, any CDSC or back-end load charged to a client selling such shares in the Program account is in addition to the fee.

Except as otherwise agreed to in writing by Adviser or required by applicable law, accounts are charged the fee with respect to all assets in the account regardless of whether the client has previously paid or incurred commissions, sales charges or “loads,” mark-ups, mark-downs, dealer spreads, or other costs, charges, fees or expenses in connection with the client’s previous purchase of some or all of the assets in a brokerage account or otherwise outside of the Program.

IA Reps or third-party managers may also employ strategies that entail recommendations to clients that they purchase for Program accounts: (i) American Depositary Receipts (“ADRs”); (ii) Global Depositary Receipts (“GDRs”); (iii) World Equity Benchmark Shares (“WEBS”); (iv) exchange-traded notes (“ETNs”); (v) real estate investment trusts (“REITs”); (vi) closed-end investment companies that invest a substantial portion of their assets in the securities of specified foreign countries (“closed-end country funds”); and (vii) certain structured products which are generally unsecured debt obligations of the companies that issue them (i.e. issuers) and designed to provide a return, if any, that is linked to the performance of an underlying asset (e.g. single stocks, indices, currencies, commodities or interest rates). In addition to the fees above, clients in the Program will bear a proportionate share of any fees and expenses associated with ADRs, GDRs, WEBS, ETNs, REITs and closed-end country funds, if applicable, in which account assets are invested, and any fees and expenses associated with converting non-U.S. securities into ADRs or GDRs, if applicable. When they assist in such conversions, the Aegis broker-dealer or RBC/AXOS may receive some or all of such fees and expenses borne by the client. For trades in non-U.S. equity securities, the final average price includes a commission to a third-party broker-dealer for execution of the trade, applicable taxes and charges associated with transacting in a non-U.S. security and, if the trade is settled in U.S. Dollars, a service charge for the currency conversion.

For additional information on the types of fees clients may pay and the conflicts of interest such fees may create, please review the Fee Schedules for RBC and AXOS and the Firm’s Form CRS and Form CRS Supplement, each of which is accessible at <https://www.aegiscapcorp.com/disclosures>.

## **Valuation**

In valuing assets in Program accounts, RBC/AXOS uses information provided by recognized independent quotation and valuation services or will rely on information it receives from other third parties, if applicable. Adviser believes this information to be reliable but does not verify the accuracy of the information provided by these sources. If any information provided by these sources is unavailable or is believed to be unreliable, RBC/AXOS will value assets in a manner RBC/AXOS determines in good faith to reflect fair market value. RBC/AXOS may use different valuation sources for different purposes. As a result, the determination of asset values may differ for different purposes. For example, the account asset values used in the fee calculation may not match the asset values listed on the account’s custodial statements. Detailed calculations of any account asset values are available upon request. Clients who select their own custodians should consult with their custodian regarding its valuation practices.

## **Expense Ratios**

Mutual funds and ETFs generally charge a management fee for their services as investment managers. The management fee is called an expense ratio. For example, an expense ratio of 0.50 means that the mutual fund company charges 0.5% for their services. These fees are in addition to the fees paid by you to

the Adviser.

Performance figures quoted by mutual fund companies in various publications are after their fees have been deducted.

### **Past Due Accounts and Termination of Agreement**

Adviser reserves the right to terminate any financial advisory engagement where a client fails to pay the agreed upon fees, or where a client willfully conceals or refuses to provide pertinent information about financial situations when necessary and appropriate, in Adviser's sole judgment, to providing proper financial advice.

## **Item 6 Performance-Based Fees**

### **Sharing of Capital Gains**

Adviser does not charge performance-based fees in connection with client accounts. Fees are not based on a share of the capital gains or capital appreciation of managed securities. For the avoidance of doubt, however, the Adviser's management fee would increase if the value of the client's advisory account increases over time.

In addition, certain mutual funds or other types of funds available in the Program may be subject to performance-based fees or varying fund expense charges imposed by the fund manager or Adviser (or another party) and that are based on the fund's performance. Fees in the Program are calculated and charged as described in the "Fees and Compensation" section above and are not charged on the basis of a share of capital gains upon, or capital appreciation of, the assets in Program accounts. If present, performance-based compensation may create an incentive for a party to recommend higher risk investments to a client.

## **Item 7 Types of Clients**

### **Description**

Advisers generally provide investment advice to individuals, pension and profit-sharing plans, trusts, estates, or charitable organizations, corporations or business entities. Client relationships vary in scope and length of service.

### **Account Minimums**

There is no minimum account size for participating in the Program set by the Adviser. However, each IA Rep or third-party manager managing accounts in the Program may apply his or her own minimum account size for Program accounts managed by him or her. In addition, an IA Rep or third-party manager may apply different minimum account sizes to the different investment strategies he or she manages in the Program. Each IA Rep or third-party manager may change or waive the minimum account size he or she applies at any time in his or her discretion. Therefore, the existence, amount and application of a minimum account size will vary by IA Rep and third-party manager and may change over time. In addition, an IA Rep or third-party manager may require a higher minimum account size if the client wishes to use a custodian other than RBC/AXOS and Adviser, in its discretion, is willing to maintain the account on such a basis. RBC/AXOS may also insist on a minimum account size for certain Programs available through the Adviser.

The accounts of employee benefit plans (as defined in the Employee Retirement Income Security Act of 1974, as amended (“ERISA”)), and retirement plans (as defined in Section 4975(e)(1) of the Internal Revenue Code of 1986, as amended), which includes IRAs, may be subject to certain Adviser policies, restrictions and other terms and conditions that are different from those applicable to other accounts in the Program. Such policies, restrictions and other terms and conditions may affect, for example, the securities that may be available for investment in such accounts, the manner in which transactions may be affected in such accounts, the ability of such accounts to trade on margin, and the fees and expenses that may be charged to such accounts. As a result, application of the policies, restrictions and other terms and conditions may result in the performance of employee benefit plan and retirement plan accounts being less than it would have been absent such policies, restrictions and terms and conditions.

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

### **Methods of Analysis**

In formulating investment advice and managing assets in the Program, the Adviser, IA Rep and third-party manager(s) may use various methods of analysis, including:

- Fundamental analysis, typically an effort to measure the intrinsic value of a security through analysis of the issuer itself, its financial statements and condition, its management and competitive advantages, and its competitors and markets;
- Technical analysis, typically involving the study of data generated by market activity, such as past security prices and volume, in an effort to identify patterns and trends that may suggest a security’s future price performance; and
- Cyclical analysis, generally involving the examination of macroeconomic and market trends as a guide to forecasting security prices.

The main sources of information include company filings, financial news outlets, websites, print media, magazines, inspections of corporate activities, research reports and materials prepared by third-parties, corporate rating services, timing services, annual reports, prospectuses, filings with the Securities and Exchange Commission, and company press releases.

RBC also has certain standards of eligibility for its investment managers, model portfolio providers and Overlay Managers available through Programs offered by the Adviser. Please see the RBC Program Brochure for additional information.

### **Investment Strategies**

The investment strategy for a specific client is based upon the client’s financial profile, risk tolerance and objectives as discussed during client consultations and documented on the new account application. The client may change their strategy at any time. All changes need to be made in writing. As discussed above, each client undergoes a process to establish a Client Profile which documents their financial profile, risk tolerance, objectives and desired investment strategy.

Clients should promptly inform the Adviser and their IA Rep of any changes to their financial profile, risk tolerance, objective and investment strategy so that portfolio adjustment can be made. All changes need to be made in writing.

Each IA Rep or third-party manager uses his or her own investment style(s) and strategy or strategies in managing Program accounts, in accordance with the client's risk tolerance, goals and investment objective. There is no assurance that a particular IA Rep or third-party manager will use or offer to clients or prospective clients any particular investment style or strategy. The investment styles used by different IA Reps and third-party managers in the Program may include but are not limited to:

- Growth Investing focused on increasing an investor's capital by investing in growth stocks (stocks that are expected to grow at an above average rate compared to an industry sector or indexes due to the age of the company, its size or market cap).
- Value Investing focused on finding companies that appear to be trading for less than their intrinsic or book value.
- Equity strategies: All Cap Core, Value and Growth Equity, Large Cap Core, , ETF and Mutual Fund Equity, Covered Call Writing, Long/Short Equity.
- Income-oriented investing with a focus on purchasing assets that generate income through dividends, distributions or coupon payments. May include US Taxable and US Tax-Exempt Fixed Income, ETF and Mutual Fund Fixed Income, Short-Term, Intermediate, Long Term and Aggregate Fixed Income.
- Balanced Investing, typically representing a mixed portfolio of equities and income-oriented securities with varied target asset allocations based on the desired outcome. May also include a balance between market capitalization assets, Value, Growth and Income, ETF and Mutual Fund Balanced, Long/Short Balanced.
- Specialty, typically representing a portfolio with a significant target allocation to a specialized asset class, such as master limited partnerships, global and international equities, international and global equity.

The investment strategies used by different IA Reps or third-party managers also depend on the requirements of the client and the investment guidelines associated with the client's account. Some strategies may include the following:

- Concentration of Investments. Certain IA Reps or third-party managers may at times concentrate Program account assets in a region, small group of countries, an industry, asset class or economic sector. In addition to the potential concentration of accounts in one or more sectors, certain accounts may hold concentrated positions in specific securities. Therefore, at times, an account may hold a relatively small number of securities positions, each representing a relatively large portion of assets in the account. As a result, the value of the account may be subject to greater volatility than a more diversified portfolio. Investments in issuers within a country, state, geographic region, industry or economic sector that experiences adverse economic, business, political conditions or other concerns will impact the value of such a portfolio more than if the portfolio's investments were not as concentrated. A change in the value of a single investment within the portfolio may affect the overall value of the portfolio and may cause greater losses than it would in a portfolio that holds more diversified investments.
- Short Sales. Certain IA Reps or third-party managers may sell securities short as a part of their investing activities. In a short sale, an individual sells a security it does not own. IA Reps or third-

party managers may sell short in the hope that the market price will decline and that the client will be able to buy replacement securities at a lower price. There can be no assurance that the client will not experience a loss on a short sale and if such losses occur, that those losses will be offset by gains on any long positions to which they may relate.

- **Leverage.** Certain third-party managers may seek to leverage client investment positions by borrowing funds on the client's behalf (also known as using/trading on margin). The use of leverage increases both the possibilities for profit and the risk of loss. Lending will usually be from RBC/AXOS and will be secured by the client account cash and securities. Interest is charged on the borrowed funds and the interest rate may fluctuate over time. Under certain circumstances, RBC/AXOS (as the lending broker-dealer) may demand an increase in the collateral that secures the client's obligation (commonly known as a "margin call"); if the client is unable to provide additional collateral, Adviser may liquidate assets held in the client's account to satisfy the client's obligations. Liquidation in that manner could result in significant losses and render the client unable to benefit from any rebound in the value of the investments that were liquidated. The amount of the client's margin balance and the interest rates charged on the borrowed funds will have an effect on account performance. For further information you should review the Form ADV of the third-party managers.
- **Short-Term Trading.** Certain IA Reps or third-party managers may engage in short-term (i.e., active and frequent) trading of securities in Program accounts, leading to increased portfolio turnover, higher transaction costs, and if profitable the possibility of increased capital gains, including short-term capital gains that are generally taxable as ordinary income.
- **Idle Assets.** While IA Reps or third-party managers generally endeavor to keep client assets invested, at any time and for a substantial length of time an IA Reps or third-party managers may hold a significant portion of a client's assets in cash, money market mutual funds and other short-term securities. Investments in such assets are not subject to market exposure and may cause a client to miss out on upswings in the markets. Unless Adviser expressly agrees otherwise in writing, Program account assets consisting of cash, money market mutual funds and other short-term securities are included in the net market value of the account's assets for purposes of calculation of advisory fees.

### **Risk of Loss**

Adviser, its employees, IA Reps, and third-party managers do not provide, and nothing contained herein should be construed as, tax, legal or accounting advice. Accordingly, we encourage each client to consult their own personal tax, legal and/or accounting advisers to understand the potential consequences associated with a particular investment strategy an IA Rep or third-party manager recommends to clients.

The investment styles and strategies used by different IA Reps or third-party managers, and the investments in which different accounts are invested, entail varying degrees of risk. Each client is urged to consult with his or her own IA Rep or third-party manager to discuss the risks associated with the investment style, strategy and investments used in the client's account. There is no assurance that implementation of an IA Reps' or third-party manager's investment style or strategy will be successful or that the Client will not suffer losses.

Results generated by each IA Rep or third-party manager will differ, and investment results will differ from client to client.

Investment performance is not guaranteed and past performance with respect to a client's account or other accounts does not predict future performance with respect to the client's account.

The investment approach chosen keeps the risk of loss in mind. Clients generally face the following investment risks, among others:

- **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 security, 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.
- **Inflation Risk:** When inflation is present the purchasing power of a dollar declines year over year, because purchasing power is eroding at the rate of inflation.
- **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.
- **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.
- **Business Risk:** These risks are associated with a particular industry or a particular company within an industry. For example, oil-drilling companies depend on a lengthy process of finding oil and then refining it, before they can generate a profit. Thus 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.
- **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.
- **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.

## **Item 9 Disciplinary Information**

### **Legal and Disciplinary**

Investors can access information relating to Aegis's regulatory history at [www.brokercheck.com](http://www.brokercheck.com) or <https://adviserinfo.sec.gov>.

On July 28, 2022, without admitting or denying the findings, the Firm entered into an agreement with the

Securities and Exchange Commission whereby the Commission found that certain registered representatives made unsuitable recommendations of highly complex variable interest rate structured products, that there were supervisory failures with respect to same, that the Firm failed to reasonably implement its written supervisory procedures, and that it failed to create required records relating to customer accounts. The Firm was fined \$2,300,000, censured, and ordered to pay disgorgement of \$165,828 plus \$55,037 in interest.

On November 8, 2021, without admitting or denying the findings, the Firm entered into an Acceptance, Waiver and Consent with FINRA, that it failed to establish, maintain and enforce a supervisory system reasonably designed to achieve compliance with the suitability requirements of FINRA Rule 2111 as it pertains to trading in customer accounts. The Firm was fined \$1,050,000 and agreed to pay restitution to certain customers in the amount of \$1,692,256,44.

On March 10, 2021, without admitting or denying the findings, the Firm entered into an Acceptance, Waiver and Consent, that it failed to use reasonable diligence to ascertain the best market for a subject security and buy or sell in such market so that the resultant price to the customer was as favorable as possible under prevailing market conditions in connection with corporate bond transactions. The Firm was fined \$80,000 and ordered to pay \$43,912.89 plus interest in restitution to certain customers.

On March 28, 2018, the Firm entered into a settlement agreement with the Securities and Exchange Commission and the Firm entered into an Acceptance, Waiver and Consent with FINRA whereby the Firm was found to have failed to file suspicious activity reports (SARS) on transactions when it knew, suspected, or had reason to suspect that the transactions involved the use of the Firm to facilitate fraudulent activity or had no business or apparent lawful purpose. The Firm was fined \$750,000 by the SEC and \$550,000 by FINRA. There was no finding of any customer harm.

On August 3, 2015, without admitting or denying the allegations, the Firm entered into a Consent Order, that it liquidated shares of microcap stocks that customers deposited into their accounts at the Firm and the shares were not registered with the SEC nor were the transactions exempt from registration. The Firm was fined \$950,000. There was no finding of any customer harm.

On June 5, 2015, without admitting or denying the findings, the Firm entered into an Acceptance, Waiver and Consent, a) the Firm failed to immediately display certain customer limit orders in over-the-counter (OTC) equity securities; b) the Firm failed to contemporaneously execute certain customer orders in OTC equity securities have it traded those securities for its own market-making or proprietary account at a price that could have satisfied the customers' order; c) the Firm failed to execute certain customer orders fully and promptly, failed to ascertain the best inter-dealer market price and failed to update its written supervisory procedures concerning market order timeliness, rendering those sections deficient; and d) the Firm failed to accurately reflect that certain orders were solicited and/or executed using discretionary authority. The Firm was fined \$85,000 and agreed to pay \$2,537.22 plus interest in restitution to customers.

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

### **Financial Industry Activities**

Aegis is registered as a broker-dealer and investment adviser with the SEC and is a member of FINRA. IA Reps in the Program and their supervisors are registered with FINRA as registered representatives of Aegis the broker-dealer.

### **Affiliations**

Aegis is dually registered as an investment adviser and securities broker-dealer. Aegis does not have any other arrangements that are material to its advisory business or its clients with a related person who is an investment company, other investment adviser, financial planning firm, commodity pool operator, commodity trading adviser or futures commission merchant, banking or thrift institution, accounting firm, consultant, real estate broker or dealer, or an entity that creates or packages limited partnerships.

Aegis has a related person that is a lawyer or law firm.

Aegis has a related person that is a sponsor, general partner, managing member (or equivalent) of pooled investment vehicles.

Aegis has a commission sharing agreement with an insurance agency, Aegis General Agency, offering fixed insurance products. Aegis General Agency is not held under common ownership.

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

### **Code of Ethics**

IA Reps in the Programs are bound by the Adviser's Investment Adviser Code of Ethics, adopted by Adviser in accordance with Rule 204A-1 under the Advisers Act. The Code of Ethics describes the general standards of business conduct applicable to Adviser's investment advisory representatives, including IA Reps in the Program, and the fiduciary obligations owed by Adviser and its investment advisory representatives to clients in its investment advisory programs. More specifically, the Code of Ethics addresses the following subjects:

- The maintenance of personal securities accounts by Adviser's investment advisory representatives;
- The reporting to Adviser Compliance personnel of personal securities holdings and transactions by Adviser's investment advisory representatives, including all IA Reps in the Program;
- Certain trading restrictions applicable to personal securities transactions of IA Reps in the Program;
- Trading by IA Reps while in possession of material non-public information;
- Periodic certification by IA Reps, including all IA Reps in the Program, of their review, understanding and compliance with the Code of Ethics;
- Adviser's administration and enforcement of the Code of Ethics; and
- The keeping of certain records relating to the Code of Ethics and its administration and enforcement by Adviser.

Adviser will provide a copy of the Adviser Investment Adviser Code of Ethics to any client or prospective client upon request.

Senior management is committed to working with Compliance and all registered individuals to ensure the existence and awareness of a strong and committed compliance culture. Our leadership will

consistently seek to instill ethical behavior throughout the firm and make it known that anyone acting in a manner less than what is expected will be sanctioned or terminated. Strict compliance with all laws and regulations governing the securities industry is paramount. Senior management will continue to ensure that the procedures in place are acceptable in terms of making determinations regarding the qualifications, experience and training of all individuals prior to assigning them any supervisory responsibilities.

### **Participation or Interest in Client Transactions**

Adviser and its IA Reps may recommend that clients buy or sell securities or may buy or sell securities for clients (including clients in the Program), that Adviser or a related person buys or sells for itself. In such circumstances, the interests of Adviser and its related persons conflict with those of Adviser's clients, including Program clients, in several respects:

- Adviser or a related person may benefit from (1) clients buying securities that Adviser or the related person then sells or (2) clients selling securities that Adviser or the related person then buys, because client purchases may increase the market price of a security Adviser or the related person owns or borrows and then sells, and client sales may reduce the market price of a security Adviser or the related person then buys.
- Adviser or a related person may benefit from (1) buying securities that clients will later buy (because the subsequent client purchases may increase the market price of the security Adviser or the related person already bought and owns) or (2) selling securities that clients will later sell (because subsequent client sales may decrease the market price of the security Adviser or the related person already sold).
- Adviser or a related person may benefit from principal transactions in which it sells a security directly from its own account to a client account or buys a security into its own account directly from a client account. For example, when an IA Rep enters an order to buy a security for a Program client, Adviser may have a financial incentive to execute the order through a principal (instead of agency) transaction if it owns the security in its own account, the security is thinly traded or illiquid, and Adviser believes it will decline in value or wants to sell it for another reason.

Adviser addresses these conflicts in the following ways:

- The maintenance of policies (including in the Code of Ethics) prohibiting Adviser employees from engaging in conduct intended to manipulate the price of securities and procedures designed to prevent and/or detect such conduct;
- The general prohibition in the Code of Ethics on the personal trading by an IA Rep in a security on the same day they trade the security for a client in the Program (unless the client receives the same or better price);
- The maintenance of information barrier procedures designed to control the flow of information between Adviser and other business units, such as investment banking;
- Supervision of IA Reps' management of Program accounts is designed to ensure that the accounts are managed in accordance with clients' investment objectives for the accounts and that IA Reps are acting in accordance with their fiduciary duty to place the interests of Program clients before

their own and those of Adviser;

- The imposition of trading restrictions with respect to certain time periods and/or lists of issuers that are designed to prevent investment personnel, including IA Reps, from unfairly benefiting from unreleased research reports and recommendations;
- The requirement in the Code of Ethics that IA Reps periodically report personal securities holdings and transactions to Adviser Compliance personnel; and
- The policy and legal restrictions on principal transactions with Program accounts, unless with express written consent, as described above.

Adviser and its related persons, including IA Reps, may recommend that clients buy or sell securities or may buy or sell securities for clients, including clients in the Program, at or about the same time that Adviser or a related person buys or sells the same securities for its, or a related person's, own account.

In such circumstances, the interests of Adviser and its related persons conflict with those of Adviser's clients, including Program clients, in all of the respects described above, each of which typically involves not only trading in the same securities that clients do, but also trading in them at or about the same time that clients do. Please see above for a description of those conflicts and how Adviser addresses them.

### **Personal Trading**

Employee personal trading is reviewed by the Branch managers at the various locations to ensure that the personal trading of employees does not affect the markets, and that clients of the firm receive preferential treatment.

## **Item 12 Brokerage Practices**

### **Selecting Brokerage Firms**

Adviser uses its affiliated broker-dealer as a brokerage firm to service its client's trade execution. Adviser recommends RBC/AXOS as qualified custodians for its clients. RBC/AXOS typically provides the following services for client accounts in the Program: execution of transactions; clearing and settlement services; custody and processing; and the maintenance of securities in good possession and control locations. Use of RBC/AXOS allows Adviser to provide Program clients not only with investment advice and discretionary or non-discretionary portfolio management services but also to arrange for trade execution and clearing, settlement and custodial services through RBC/AXOS. In other words, RBC/AXOS in its capacity generally executes the trades for Program accounts and provides trade clearing and settlement services of the trades placed by each IA Rep for Program accounts and maintains custody of client assets in the Program, which includes receiving and crediting to Program accounts all interest, dividends and other distributions that RBC/AXOS receives on assets in the accounts.

Aegis in its capacity as a broker dealer routes trades for execution to RBC/AXOS and to an order management system ("OMS") operated by Aegis trading staff. Aegis receives payment for order flow ("PFOF") on customer orders that are routed through the OMS for execution to various external execution venues. PFOF is additional revenue to the Adviser. Information on PFOF and client orders can be found in the Firm's SEC Rule 606 report available in the Disclosures section of the Firm's website

[www.aegiscapcorp.com/disclosures](http://www.aegiscapcorp.com/disclosures).

When the services above are provided by another executing broker-dealer or custodian – either because applicable law requires it or upon the client’s request and Adviser consent the other broker-dealer and/or custodian are entirely responsible for the execution, clearing, and/or settlement of the transaction and/or custody of the client’s Program account assets. When RBC/AXOS executes transactions for Program clients, the division of RBC that handles the execution may receive compensation (or compensation credits) from Aegis.

It is possible that using the Aegis broker-dealer or RBC/AXOS for the services above may deprive the client of any savings on trade execution and other costs that otherwise might be negotiated with other broker-dealers and benefits that may result from using alternative trading systems, may result in less favorable prices or other execution terms than would be obtained through the use of one or more other broker-dealers, and may cost the client more money.

### **Best Execution**

The Firm conducts regular reviews of its execution quality to determine whether the Firm is meeting its obligation for best execution of customer orders. This includes orders that are routed to other broker-dealers on an automated, non-discretionary basis as well as when the Firm directs order flow. The Firm must use reasonable diligence to determine the best market for the security, so the resulting price is as favorable as possible under prevailing market conditions.

## **Item 13 Review of Accounts**

### **Periodic Reviews**

Account reviews are performed by a registered branch principal through a third-party account review vendor Catalyst. Reviews are based on trade activity (or the absence thereof) and may be performed more frequently when market conditions dictate.

### **Review Triggers**

Other conditions that may trigger a review are changes in the tax laws, new investment information, or changes in a client's situation.

### **Regular Reports**

Account reviewers consider the client's current security positions and the likelihood that the performance of each security will contribute to the investment objectives of the client.

Clients receive periodic communications on at least an annual basis. The written updates may include a net worth statement, portfolio statement and a summary of objectives and progress towards meeting those objectives.

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

### **Incoming Referrals**

Adviser has been fortunate to receive client referrals over the years. The referrals come from current clients, accountants, employees, personal friends of employees and other similar sources. We directly compensate non-employee (outside) consultants, individuals, and/or entities (Solicitors) for client referrals in accordance with SEC Rule 206(4)-1. To receive a cash referral fee from our firm, Solicitors must comply with the requirements of the jurisdictions in which they operate. If you become a client, the Solicitor that referred you to our firm will receive a percentage of the advisory fee you pay our firm for as long as you are a client, or until such time as our agreement with the Solicitor expires. You will not pay additional fees because of this referral arrangement. Referral fees paid to a Solicitor are contingent upon your entering into an advisory agreement with our firm. Therefore, a Solicitor has a financial incentive to recommend our firm to you for advisory services. This creates a conflict of interest; however, you are not obligated to retain our firm for advisory services. Comparable services and/or lower fees may be available through other firms.

### **Referrals Out**

Adviser does not accept referral fees or any form of remuneration from other professionals when a prospect or client is referred to them.

### **Other Compensation**

Adviser is a fully registered investment adviser and introducing broker dealer, which clears on a fully disclosed basis through RBC Clearing and Custody (“RBC”). RBC offers clients the ability to automatically sweep uninvested cash from their accounts into RBC Insured Deposits (“RBC ID”) which offers FDIC protection on cash balances. RBC ID, which is the default cash sweep program, sweeps cash into interest bearing accounts at multiple FDIC insured banks. RBC will credit Aegis a rebate based on the average daily RBC Bank Deposit Program (“BDP”) balance. Adviser also clears on a fully disclosed basis through AXOS Clearing and Custody (“AXOS”). AXOS offers clients the ability to automatically sweep uninvested cash from their accounts into various insured deposit program banks. Adviser receives additional compensation from AXOS for client funds invested in cash sweep bank deposit programs.

## **Item 15 Custody**

### **Custody of Assets**

Adviser generally has custody of the assets of its affiliated pooled accounts. You will receive account statements from a qualified custodian regarding the pooled accounts. These accounts are subject to an annual audit by an independent public accountant that is registered with the Public Company Accounting Oversight Board. The audited financial statements are distributed to the investors in the pooled accounts.

Additionally, Adviser may be deemed to have custody of a client’s assets to the extent the client authorizes Adviser to instruct the client’s custodian to deduct advisory fees directly from the client’s account. Clients will receive all account statements and billing invoices that are required in each jurisdiction, and they should carefully review those statements for accuracy. Most Program assets are held with either RBC Capital Markets, LLC or AXOS Clearing LLC, the clearing brokers and qualified custodians for Adviser.

### **Account Statements**

All assets are held by qualified custodians and the custodians provide account statements directly to clients at their address of record at least quarterly.

## **Performance Reports**

Clients are urged to compare the account statements received directly from their custodians to any performance report statements provided by Adviser.

## **Item 16 Investment Discretion**

### **Discretionary Authority for Trading**

When provided in writing, Adviser accepts discretionary authority to manage securities accounts on behalf of certain clients. Adviser has the authority to determine, without obtaining prior client consent, the securities to be bought or sold, and the amount of the securities to be bought or sold. However, Adviser consults with the client prior to each trade to obtain concurrence if a blanket trading authorization has not been given. Please see the discussion above about different Program options for further detail.

### **Limited Power of Attorney**

If a trading authorization is given, a limited power of attorney or limited trading authorization form is executed for this purpose.

## **Item 17 Voting Client Securities**

### **Proxy Votes**

Adviser does not vote proxies on securities on behalf of clients. Clients will receive proxies or other solicitations directly from their custodians, a transfer agent, or from Adviser, and are expected to vote their own proxies.

When assistance on voting proxies is requested, Adviser will provide recommendations to the client. If a conflict of interest exists, it will be disclosed to the client.