

Item 1 Cover Page

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

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February 27, 2023

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. 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

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 27, 2023. 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 August 17, 2022.

Material Changes since the Last Update

Item 9. has been updated to reflect disclosure relating to regulatory matters that have resolved since the last publication of this Brochure. Investors can access information relating to Aegis's regulatory history at www.brokercheck.com.

Full Brochure Available

Whenever you would like to receive a complete copy of our Brochure, please contact us by telephone at: 212-813-1010 or by email at: info@aegiscap.com.

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Item 4 Advisory Business

Firm Description

Aegis Capital Corporation., (“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”). While Aegis earns income from its Fee Accounts through a quarterly asset-based fee, it may also charge a commission to cover the cost of acquisition or sale of securities in a client's account. The fee clients pay will vary depending on the investment advisory program selected.

Investment advice is an integral part of financial planning. In addition, Aegis advises clients regarding cash flow, college planning, retirement planning, tax planning and estate planning.

Investing in securities involves risk of loss that clients should 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 occur but are not necessarily communicated to the client unless immediate changes are recommended.

Other professionals (e.g., lawyers, accountants, insurance agents, etc.) are 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 Aegis’ form CRS and Supplemental Disclosure document regarding conflicts of interest.

The 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.

Types of Advisory Services

Aegis provides investment advisory services, also known as asset management services, manages investment advisory accounts and furnishes investment advice through

consultations.

As of December 31, 2022 Aegis manages approximately \$1,033,140,094 in assets for approximately 2166 clients. Approximately \$533,736,215 is managed on a discretionary basis, and \$499,403,879 is managed on a non-discretionary basis.

Advisor Managed Program

To participate in the Program, clients are required to complete and execute the Aegis investment advisory client agreement (the "Client Agreement") for any Program account(s). In the Client Agreement, clients grant Aegis authority to manage their accounts on a discretionary basis, subject only to any reasonable investment restrictions and/or any written investment guidelines or policies that the client has provided to Aegis and Aegis has accepted by notifying the client in writing of such acceptance. Each client's grant of discretion to Aegis typically includes the client's authorization of Aegis to invest in securities and other investments of any nature whatsoever, at the time and in the manner that Aegis 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 Aegis Advisors, who are employees/contractor and registered representatives of Aegis, will 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 Advisor typically manages his or her clients' Program accounts in accordance with the Advisor's individual investment style(s) and strategy or strategies, taking into consideration each client's financial situation and investment objective for the Program account.

Advisor Directed Program

To participate in the Program, clients are required to complete and execute the Aegis investment advisory client agreement (the "Client Agreement") for the Program account(s), one or more Aegis Advisors, who are employees/consultants and registered representatives of Aegis, will advise the client's account in the Program on a nondiscretionary 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 nondiscretionary basis, the client's Advisor will purchase, sell or otherwise trade securities or other investments for the account only after the client has instructed Aegis to effect the transaction.

Upon the client's request, Aegis 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 Aegis 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 Aegis' advice or the target allocation. A change in the information provided to Aegis or other circumstances may warrant a change to the

client's investment objective, risk tolerance or target asset allocation. Generally, Aegis will contact the client semi-annually to review the Program account ("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, the target and/or actual asset allocation, and the particular securities and other assets held in the account.

Aegis 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 Aegis may choose to enforce on such orders and Aegis' 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.

Aegis typically provides Program clients not only with investment advice but also with trade execution, clearing, settlement, custody and reporting services. In other words, Aegis in its capacity as a broker-dealer generally executes the trades for Program accounts and generally provides through RBC trade clearing and settlement services and custody of client assets in the Program, which includes receiving and crediting to Program accounts all interest, dividends and other distributions that RBC receives on assets in the accounts. When provided by RBC, these trade execution, clearing, settlement and custodial services may be included in the Program fee paid by the client. When they are provided by another executing broker-dealer or custodian – either because applicable law requires it or upon the client's request and Aegis' 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 executes transactions for Program clients, the division of RBC that handles the execution may receive compensation (or compensation credits) from Aegis.

In general (and as further discussed below), Aegis also provides clients with periodic written performance reviews of their accounts in the Program, which are also included in the Program fee paid by the client. However, certain Program accounts may not receive such reviews; in its discretion, Aegis 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, or Aegis 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

The goals and objectives for each client are documented in our client relationship management system. Investment policy statements are created that reflect the stated goals and objective. Clients may impose restrictions on investing in certain securities or types of securities.

Agreements may not be assigned without client consent.

Types of Agreements

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 increase is necessary.

Advisory Service Agreement

Most clients choose to have Aegis 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 an Advisory Service Agreement is provided to the client in writing prior to the start of the relationship. An Advisory Service Agreement includes cash flow and investment management.

The annual Advisory Service Agreement fee is based on a percentage of the investable assets. Although the Advisory Service Agreement is an ongoing agreement and constant adjustments are required, the length of service to the client is at the client's discretion. The client or the investment manager may terminate an Agreement by written notice to the other party. At termination, fees will be billed on a pro rata basis for the portion of the quarter completed. The portfolio value at the completion of the prior full billing quarter is used as the basis for the fee computation, adjusted for the number of days during the billing quarter prior to termination.

Asset Management

Assets are invested in load, load-waived, and no-load/low-load mutual funds and exchange-traded funds. Fund companies charge each fund shareholder an investment management fee

that is disclosed in the fund prospectus.

Investments may also include equities (stocks), warrants, corporate debt securities, commercial paper, certificates of deposit, municipal securities, investment company securities (variable life insurance, variable annuities, and mutual funds shares), U. S. government securities and interests in partnerships.

Termination of Agreement

A Client may terminate any of the aforementioned agreements at any time by notifying Aegis in writing and paying the rate for the time spent on the investment advisory engagement prior to notification of termination. If the client made an advance payment, Aegis would refund any unearned portion of the advance payment.

Aegis may terminate any of the aforementioned agreements at any time by notifying the client in writing. If the client made an advance payment, Aegis would refund any unearned portion of the advance payment.

Item 5 Fees and Compensation

Description

Aegis bases its fees on a percentage of assets under management.

If the transaction costs are charged to the client (Unbundled Program only):

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 the transaction costs are charged to the advisor:

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%.

The transaction cost is \$35.00 per, but may vary, see client agreement. A fee per transaction is charged by Aegis Capital Corp. broker dealer for executing transactions.

Fee Billing

Investment management fees are billed quarterly, in advance, meaning that we invoice you 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.

Other Fees

Custodians may charge transaction fees on purchases or sales of certain mutual funds, exchange-traded funds or other securities. The Fee also does not cover certain costs or charges

that may be imposed by RBC or third parties, 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.

Aegis, in its sole discretion, may waive its minimum fee and/or charge a lesser investment advisory fee based upon certain criteria (e.g., historical relationship, type of assets, anticipated future earning capacity, anticipated future additional assets, dollar amounts of assets to be managed, related accounts, account composition, negotiations with clients, etc.).

New Advisory Service Agreement fees are calculated on a formula basis and adjusted for complexity of individual situations.

Expense Ratios

Mutual funds 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 Aegis.

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

Past Due Accounts and Termination of Agreement

Aegis reserves the right to terminate any financial advisory engagement where a client has willfully concealed or has refused to provide pertinent information about financial situations when necessary and appropriate, in Aegis' judgment, to providing proper financial advice.

If an agreement is terminated in the middle of a billing quarter, a pro-rated fee, based upon the number of trading days in the quarter, will be refunded to the customer's account.

Aegis does not received compensation in any fee-based accounts for the sale of securities or other investment products, including asset-based sales charges or service fees from the sale of mutual funds.

Item 6 Performance-Based Fees

Sharing of Capital Gains

Fees are not based on a share of the capital gains or capital appreciation of managed securities.

Aegis does not use a performance-based fee structure because of the potential conflict of

interest. Performance-based compensation may create an incentive for the adviser to recommend an investment that may carry a higher degree of risk to the client.

Item 7 Types of Clients

Description

Aegis generally provides 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

Aegis does not require a minimum account size to enter into an agreement with a client.

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

Methods of Analysis

Security analysis methods may include charting, fundamental analysis, technical analysis, and cyclical analysis.

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

Investment Strategies

The investment strategy for a specific client is based upon the objectives stated by the client during consultations. The client may change these objectives at any time. Each client executes an Investment Policy Statement that documents their objectives and their desired investment strategy.

Other strategies may include long-term purchases, short-term purchases, trading, short sales, margin transactions, and option writing and buying (including covered options, uncovered options or spreading strategies).

Risk of Loss

All investment programs have certain risks that are borne by the investor.

Our investment approach constantly keeps the risk of loss in mind. Investors face the following investment risks:

- **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 any type of inflation is present, a dollar today will not buy as much as a dollar next year, because purchasing power is eroding at the rate of inflation.
- **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 finding oil and then refining it, a lengthy process, before they can generate a profit. They carry a higher risk of profitability than an electric company, which generates its income from a steady stream of customers who buy electricity no matter what the economic environment is like.
- **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

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 made certain findings, 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 failed to create required records relating to customer accounts. The Firm was fined \$2,300,000, was censured and ordered to pay disgorgement \$165,828 plus \$55,037 in interest to certain customers.

On November 8, 2021, without admitting or denying the findings, the Firm entered into an Acceptance, Waiver and Consent, 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 U.S. Securities and Exchange Commission (the "SEC") and is a member of the Financial Industry Regulatory Authority ("FINRA"). All Advisors in the Program and their supervisors are registered with FINRA as registered representatives of Aegis in its capacity as a broker-dealer.

Affiliations

Aegis is dually registered as an investment advisor 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 advisor, financial

planning firm, commodity pool operator, commodity trading adviser or futures commission merchant, banking or thrift institution, accounting firm, law firm, consultant, real estate broker or dealer, or an entity that creates or packages limited partnerships.

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

Aegis Capital has a simple, basic Code of Ethics, which is disseminated to all affiliated personnel and any client or prospective client upon request. Activities by anyone, from senior management to clerical staff, violating this Code of Ethics will not be tolerated. Every aspect of our business will be conducted in a fair, lawful and ethical manner. Sufficient internal controls have been implemented to ensure that all reasonable efforts are taken at all times to deter and detect any activities which do not meet the highest standards of ethical behavior. 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 be such that we will 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

Aegis and its employees may buy or sell securities that are also held by clients. Employees may not trade their own securities ahead of client trades. Employees comply with the provisions of the Firm's Written Supervisory Procedures.

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

Aegis uses its broker-dealer as a brokerage firm to service its clients trading execution. Aegis does not recommend a specific custodian.

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 regularly by a registered branch principal and account reviews 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, and changes in a client's own 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

Aegis has been fortunate to receive many 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 order to receive a cash referral fee from our firm, Solicitors must comply with the requirements of the jurisdictions in which they operate. If you were referred to our firm by a Solicitor, you should have received a copy of this Disclosure Brochure along with the Solicitor's disclosure statement at the time of the referral. If you become a client, the Solicitor that referred you to our firm will receive a percentage of the advisor 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

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

Other Compensation

Aegis 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 up to \$5 million and FDIC coverage up to \$10 million for joint accounts. RBC ID, which is the default cash sweep program, sweeps cash into interest bearing accounts at multiple FDIC insured banks. The Agreement between RBC and Aegis dated June 1, 2016, discloses that RBC will credit Aegis each month a rebate based on the average daily RBC Bank Deposit Program (“BDP”) balance. Aegis will receive 50% of the Net BDP spread each month, with a minimum rebate of 4 basis points annualized.

Item 15 Custody

Custody of Assets

Aegis generally has custody of the assets of its affiliated 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, Aegis may be deemed to have custody of a client’s assets to the extent the client authorizes Aegis 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.

Account Statements

All assets are held at qualified custodians, which mean 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 the performance report statements provided by Aegis.

Net Worth Statements

Clients are frequently provided net worth statements and net worth graphs that are generated

from our client relationship management system. The net worth statements are used for long-term financial planning where the exact values of assets are not material to the financial planning tasks.

Item 16 Investment Discretion

Discretionary Authority for Trading

Aegis accepts discretionary authority to manage securities accounts on behalf of clients. Aegis has the authority to determine, without obtaining specific client consent, the securities to be bought or sold, and the amount of the securities to be bought or sold. However, Aegis consults with the client prior to each trade to obtain concurrence if a blanket trading authorization has not been given.

Limited Power of Attorney

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

Item 17 Voting Client Securities

Proxy Votes

Aegis does not vote proxies on securities. Clients are expected to vote their own proxies.

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

Item 18 Financial Information

Financial Condition

Financial information is not required to be provided because Aegis does not solicit or require prepayment of fees of more than \$1,200 per client, six months or more in advance. Aegis has not been subject to a bankruptcy petition anytime during the past 10 years nor is there a financial condition that is likely to impair our ability to meet contractual commitments to clients.

Business Continuity Plan

General

Aegis has a Business Continuity Plan in place that provides detailed steps to mitigate and recover from the loss of office space, communications, services or key people. The business continuity plan can be found on the Aegis website (www.aegiscapcorp.com).

Disasters

The Business Continuity Plan covers natural disasters such as snowstorms, hurricanes, tornados, and flooding. The Plan covers man-made disasters such as loss of electrical power, loss of water pressure, fire, bomb threat, nuclear emergency, chemical event, biological event, T-1 communications line outage, Internet outage, railway accident and aircraft accident

Alternate Offices

Alternate offices are identified to support ongoing operations in the event the main office is unavailable. It is our intention to contact all clients within five days of a disaster that dictates moving our office to an alternate location.

Information Security Program

Information Security

Aegis maintains an information security program to reduce the risk that your personal and confidential information may be breached.

Privacy Notice

Aegis is committed to maintaining the confidentiality, integrity and security of the personal information that is entrusted to us.

The categories of nonpublic information that we collect from you may include information about your personal finances, information about your health to the extent that it is needed for the financial planning process, information about transactions between you and third parties, and information from consumer reporting agencies, e.g., credit reports. We use this information to help you meet your personal financial goals.

With your permission, we disclose limited information to attorneys, accountants, and mortgage lenders with whom you have established a relationship. You may opt out from our sharing information with these nonaffiliated third parties by notifying us at any time by telephone, mail, fax, email, or in person. With your permission, we share a limited amount of information about you with your brokerage firm in order to execute securities transactions on your behalf.

We maintain a secure office to ensure that your information is not placed at unreasonable risk. We do not provide your personal information to mailing list vendors or solicitors. We require strict confidentiality in our agreements with unaffiliated third parties that require access to your personal information, including financial service companies, consultants, and auditors. Federal and state securities regulators may review our Company records and your personal records as permitted by law.

Personally, identifiable information about you will be maintained while you are a client, and for the required period thereafter that records are required to be maintained by federal and state securities laws. After that time, information may be destroyed.

We will notify you in advance if our privacy policy is expected to change. We are required by law to deliver this *Privacy Notice* to you annually, in writing.