

ADV Part 2A: Firm Brochure

March 28, 2025



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This brochure provides information about the qualification and business practices of Genter Capital Management. If you have any questions about the contents of this brochure, please contact us at 1-310-477-6543, or by email at adv@gentercap.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.

Genter Capital Management is an investment adviser registered with the Securities and Exchange Commission ("SEC"). Being registered with the SEC does not imply a certain level of skill or training.

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

Material Changes

Material Changes since the Last Update

There have been no material changes to Genter Capital Management since the last brochure dated March 28, 2024.

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Advisory Business

Firm Description

Genter Capital Management ("Genter or Genter Capital") was originally founded in 1968 for the express purpose of managing investments using the common stocks of large and medium capitalized corporations, government fixed income, and investment grade corporate and municipal fixed income. The firm is a Registered Investment Adviser under the Investment Advisers Act of 1940 and has been continuously and actively engaged in the investment management business since its inception.

Principal Owners

Genter Capital is 100% owned by Genter Capital LLC. Mr. Daniel J. Genter is the principal owner of Genter Capital LLC.

Types of Advisory Services

Genter Capital furnishes "investment supervisory services," defined as the giving of continuous advice to clients about the investment of funds on the basis of each client's individual needs and objectives.

Genter Capital acts as investment adviser to the Genter Capital Dividend Income Fund (GDIIIX).

It also acts as subadvisor to the following Exchange Traded Funds:

Ticker	Fund Name
GEND	Genter Capital Dividend Income ETF
GENW	Genter Capital International Dividend ETF
GENM	Genter Capital Municipal Quality Intermediate ETF
GENT	Genter Capital Taxable Quality Intermediate ETF

Genter Capital offers a broad range of portfolio strategies ranging from equity to a variety of fixed income products, to include municipal bonds. These styles are designed to meet the risk profiles of our many clients. Client may impose restrictions on the portfolios managed by Genter Capital; *please refer to the section entitled Investment Discretion for more information.*

Genter Capital has also established arrangements where it acts as a sub-advisor on certain accounts or provides model portfolio recommendations to other investment advisers. Services and fees for these arrangements will be negotiated.

Wrap Fee Program

Genter Capital participates in certain programs where a client enters into an agreement with Genter Capital and a registered broker/dealer either directly or indirectly through an affiliate. The client is charged a combined fee (referred to as a "wrap fee") based upon a percentage of the market value of the account, which generally covers all services for:

- 1) selection of program;
- 2) the investment advisers' fee to manage the client's portfolio on a fully discretionary basis;

- 3) brokerage commissions and, in some instances, dealer mark-ups or mark-downs for the execution of trades by the designated broker;
- 4) acting as custodian for the assets in the client’s portfolio which also includes providing the client with trade confirmations and monthly statements;
- 5) periodic evaluation and comparison of account performance; and
- 6) continuing consultations on investment objectives.

However, there are some programs where some of these fees are not covered but are charged separately. Genter Capital receives a portion of this “wrap fee” for providing investment supervisory services. In some cases, Genter Capital’s advisory fee is a separate fee.

For Fixed Income accounts, all wrap accounts are traded with non-wrap accounts; *please refer to the section entitled Order Aggregation for information on blocking transactions*. For Equity accounts, wrap accounts are traded on a rotational basis with non-wrap accounts.

Assets Under Management

As of December 31, 2024, Genter Capital has a total of \$7.1 billion of assets under management, including \$2.6 billion of model portfolio assets not included on the Firm’s ADV Part 1.

Fees and Compensation

Description

Fees are payable quarterly in advance at the beginning of each calendar quarter. Fees will be based on the total market value of the account. Net additions during the quarter will be billed on a pro-rated basis. A nonrecurring, non-refundable one time set up fee of \$250 is payable in advance. Genter Capital has a minimum annual fee of \$4,750 for accounts below the standard minimum. The standard fee schedule for all of Genter Capital’s products is as follows:

<u>Accounts under \$3 million</u>	<u>Fee</u>
First \$200,000	2.00%
Next \$200,000	1.50%
Next \$2,600,000	1.00%
<u>Accounts over \$3 million</u>	<u>Fee</u>
First \$5,000,000	1.00%
Over \$5,000,000	0.75%
<u>Fixed Income Accounts</u>	<u>Fee</u>
\$1,000,000 minimum account size	0.50%

Fees may be discounted or negotiated at Genter Capital's discretion. As an example, consideration may be given, in some circumstances, to the combination or related accounts for the purpose of meeting fee break points as well as fee reductions for accounts that are represented by independent professional business managers. Genter Capital occasionally accepts smaller accounts at its discretion but may require a minimum fee on such accounts. Smaller accounts are more difficult to diversify and often do not have the same number of securities as larger accounts in the same strategies. In addition, the fees as a percentage of assets under management will be higher than other clients. Genter Capital has older existing client relationships pursuant to prior fee schedules that are no longer in effect. Thus, fees being charged to existing clients may be different than the fees set out in the current fee schedule.

Clients may terminate an investment advisory contract at any time by delivering thirty (30) day, prior written notice to Genter Capital and will receive a pro-rated refund of management fees previously paid to Genter Capital.

Direct Debit of Fees

Genter Capital has the ability to directly debit fees from client accounts. Currently, the investment management agreement stipulates the direct debit of fees from the client accounts. Clients have the option to have their fees billed separately or at specific periodic intervals, by making prior arrangement with Genter Capital.

Other Fees

Genter Capital may invest client assets in one or more pooled investment vehicles, such as mutual funds and exchange-traded funds (including funds managed by Genter Capital) if such investments are consistent with the investment objectives and policies of the client accounts involved. If Genter Capital makes such an investment on behalf of its clients, those clients will be responsible, indirectly as investors in the pooled investment vehicles, for a portion of the operating expenses of the pooled investment vehicles in which they are invested, in addition to the advisory fees those clients pay directly to Genter Capital. In effect, those clients would be paying multiple advisory fees. If the mutual fund in which a client is invested is also advised by Genter Capital, and/or Genter Capital receives an asset-based fee for providing certain shareholder services, then the multiple fees will inure directly to Genter Capital's benefit.

Clients may incur fees in addition to the management fees paid Genter Capital. This can include brokerage commissions and other custodian fees. *Please refer to the section entitled Brokerage Practices for more information.*

Performance-Based Fees

Genter Capital does not receive performance-based fees.

Types of Clients

Description

Genter Capital has many types of clients including but not limited to pension and profit-sharing plans, investment companies, foundations, endowments, individuals, trusts, corporations, charitable organizations, and State or local government entities and their respective agencies.

Account Minimums

Genter Capital has a minimum account size of \$1 million for fixed income accounts. It may negotiate the account size on others and may set separate minimums for sponsored programs *as discussed in the section entitled Fees and Compensation.*

Methods of Analysis, Investment Strategies and Risk of Loss

Methods of Analysis

Both fundamental and quantitative valuation factors are considered in establishing positions in securities and in monitoring their progress. The firm is very interested in the future prospects of the company and the industry in which it competes. The firm is interested in the quality of a company or entity, its financial soundness, and especially its value and relative attractiveness as an investment. Genter Capital is very conscious of the difference between a “good” company and an attractive security and uses various fundamental and valuation tools in the selection of issues and the timing of purchases and sales. The sale of an issue is considered to be as important as its purchase in the total investment process. The fixed income process uses quantitative techniques to control risk including but not limited to duration management and break-even analysis (in conjunction with historical and fundamental data) in identifying the appropriate quality and sector spreads. In addition, return analysis is performed using various interest rate scenarios and time horizon studies along with other relevant considerations. There is no single source of investment ideas. A great deal of research information and reports comes from outside sources. Genter Capital also does its own internal research and evaluation of a company’s prospects. The firm uses outside research as a potential source of investment ideas and as a means of monitoring changing expectations for various industries and companies. The principal sources of information include financial newspapers and magazines, brokerage firm reports, presentations by brokerage firm analysts, presentations by companies, company annual reports and news releases, databases, rating services, financial market information services (FactSet, Bloomberg, etc.), inspections of corporate activities, prospectuses and filings with the Securities and Exchange Commission.

Investment Strategies

Generally, Genter Capital provides investment advice on both equity and fixed income securities. Equity securities may include (but are not limited to) common stock - both exchange-listed and over-the-counter stock, listed American Depository Receipts, warrants, convertibles, and investment company

securities. Fixed income securities include (but are not limited to) corporate debt securities, internationally issued bonds, commercial paper, bank certificates of deposit, municipal securities, and United States Treasury and government agency securities. The firm generally does not provide investment advice on futures contracts and/or interests in partnerships.

Within the overall investment decision-making process, the Investment Policy Committee sets general strategic guidelines for Genter Capital. The portfolio managers translate these guidelines in a manner appropriate to the risk objectives of the accounts for which they are responsible. Genter Capital seeks to anticipate and capitalize on major market cycles although it is not likely to make abrupt, dramatic changes. However, the prices of individual securities are closely monitored while fundamentals and expectations, etc., are constantly reexamined.

Risk of Loss

Although Genter Capital makes every effort to preserve each client's capital and achieve real growth of wealth, investing in the stock or bond markets involves risk of loss that each client should be prepared to bear.

Clients entering into a management agreement with Genter Capital should be aware that stock and bond values fluctuate. Generally, their worth is based directly on the performance of the specific company. Individual stock values will also be impacted by the general movement of the stock market. Clients should be aware that when investing in stocks, the risk of significant loss exists. The value of bonds is subject to movements in interest rates, along with the all-important structure and the credit characteristics of the individual securities. Clients investing in bonds should be aware that there is moderate risk of loss. The value of both stocks and bonds are influenced by economic conditions both domestically and globally.

Disciplinary Information

Legal and Disciplinary

Genter Capital has not been subject to any legal or disciplinary events.

Other Financial Industry Activities and Affiliations

Broker Dealer Representatives

Certain individuals at Genter Capital are registered representatives of unaffiliated broker dealers in order to service the ETFs. None of these individuals are compensated under these arrangements.

Financial Industry Activities

Genter Capital is not engaged in any business or profession other than acting as an investment adviser. It does not offer to sell any type of product, other than investment advice concerning securities to clients.

Affiliations

Genter Capital Management and Genter Advisors LLC, a registered investment adviser, are both wholly owned subsidiaries of Genter Capital LLC. Under Genter Advisors' separate account management program, Genter Advisors may select Genter Capital Management to manage the assets of certain clients of Genter Advisors. If Genter Capital is selected as the investment adviser, those clients will be responsible for the fees charged by Genter Capital as well as the fees charged by Genter Advisors. Thus, Genter Advisors and Genter Capital may directly receive multiple fees for selecting Genter Capital as an investment adviser to manage client assets under the separate account management program. Further Genter Advisors LLC and Genter Capital Management share employees and resources and have individuals that investment advisor representatives under both entities.

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

Code of Ethics and Personal Trading

Genter Capital has adopted a written Code of Ethics designed to address the confidentiality of client transactions, insider trading and potential conflicts of interest that may arise with regard to personal trading.

Genter Capital Code of Ethics requires, among other things, the following:

- Employees should observe maximum confidentiality with respect to the portfolio and research activities of Genter Capital's clients and that all records of client transactions are kept in a secure manner and shall not be released to anyone other than authorized persons;
- Policy prohibiting employees from insider trading;
- Employees may not serve as officer or director of a publicly traded company without prior approval;
- Subject to certain limited exceptions that Genter Capital believes do not create a conflict between interests of its clients and its employees, employees may not purchase or sell any security on the same day that a client is purchasing or selling the same security;
- Access Persons must obtain prior approval before directly or indirectly acquiring any securities in an initial public offering or a limited offering;
- Compliance with applicable provisions of the federal securities laws.

Genter Capital Code of Ethics also requires employees to:

- report personal securities transactions on at least a quarterly basis, and
- provide a detailed summary of certain holdings (both initially upon commencement of employment and annually thereafter) over which the employee has a direct or indirect beneficial interest.

A copy of Genter Capital Code of Ethics shall be provided to any client or prospective client upon request.

Participation or Interest in Client Transactions

Genter Capital officers, directors, and employees (and their immediate family members) are permitted to buy and sell securities for their own personal investment accounts provided they comply with the Code of Ethics' procedures and reporting requirements which are designed to prevent any potential conflict of interest with client transactions. Genter Capital believes that these procedures are adequate to prevent any intentional or inadvertent conflict of interest. However, it is possible that, from time to time, Genter Capital may recommend to clients, or purchase for or sell from clients' portfolios, securities that are also held in the personal investment portfolios of Genter Capital officers, directors, and employees.

Genter Capital officers, directors, and employees (and their immediate family members) are permitted to open managed investment accounts with Genter Capital. Such accounts are managed in accordance with policies and procedures for Genter Capital client accounts.

Thus, Genter Capital portfolio managers have discretionary authority to make determinations regarding which securities are to be bought or sold; the total amount of the securities to be bought or sold; through which broker securities are to be bought or sold; and the commission rates at which securities transactions are effected. Such accounts may be included in block trades (aggregate orders for several or more clients). If such accounts participate in a block trade, they will receive the average share price and a pro rata portion of the transaction costs on the trade (*See additional information on Genter Capital's Brokerage Practices below.*) Genter Capital believes that its procedures and reporting requirements for officers, directors and employees are adequate to prevent such accounts from being favored over any other client account.

Brokerage Practices

Selecting Brokerage Firms

Genter Capital considers the full range and quality of the broker's services in selecting/approving brokers to meet best execution obligations which include:

1. Ability to provide anonymity
2. Promptness of execution
3. Access to inventory in case of fixed income, or access to multiple centers and alternative networks in case of equity
4. Best available price; competitive bids/offers
5. Trader has adequate backup
6. Financial stability/business reputation
7. Fairness in resolving errors
8. Overall responsiveness, communication, etc.
9. Other factors

Best Execution

Genter Capital has the obligation to seek "best execution" when it places trades with broker-dealers. Best execution entails the efficient placement of orders, clearance, settlement, and the overall quality of execution as well as the cost of the transaction.

Genter Capital monitors transaction results as orders are executed to evaluate the quality of execution provided by the various brokers and dealers it uses, to determine that compensation rates are competitive and otherwise to evaluate the reasonableness of the compensation paid to those brokers and dealers in light of all the factors described above.

Soft Dollars

Genter Capital generally pays higher commission rates for equity transactions to obtain research services and products. This practice of using client brokerage to generate "soft dollar" credits which

benefit Genter Capital in providing advisory services creates a conflict of interest. For this reason, Genter Capital carefully evaluates the value of the products and services it receives on a “soft dollar” basis to ensure that Genter Capital is receiving good value in relation to the higher commissions paid and to ensure that the products and services are useful to Genter Capital in performing its advisory duties to the benefit of its clients. Genter Capital does not believe that the quality of executions or prices obtained are adversely affected by this practice.

Research services and products include tangible research products, (publications or writings as to the value of securities, the suitability of securities, recommendation of purchase or sale of securities, analysis and reports concerning issuers, industries, economic factors and trends, portfolio strategy, client objectives, and the performance of accounts) as well as direct access to analysts and traders. In addition, a broker may provide Genter Capital with products such as software products and programming that can be used to perform research activities.

Research services and products frequently benefit many clients’ accounts. It is impractical to allocate the benefits among clients. Thus, research services and products may be used in servicing all the firm’s clients, and not all such services may be used by Genter Capital in connection with the client(s) who paid commission to the broker providing such services.

Over-the-counter (“OTC”) equity transactions are occasionally effected on a principal basis directly with market maker firms. These market maker firms are compensated through the principal “spread,” and may also charge related transaction fees. However, in order to obtain additional research and brokerage services on a “soft dollar” basis, and in order to obtain other qualitative execution services that Genter Capital believes are important to best execution, Genter Capital places over-the-counter (“OTC”) equity transactions with specialized broker-dealers with which Genter Capital has a “soft dollar” credit arrangement, and that execute such transactions on an agency basis (“an OTC broker”). When Genter Capital uses OTC brokers to execute OTC equity transactions on an agency basis, Genter Capital will take steps intended to ensure that the prices obtained in such transactions are competitive with the prices that could have been obtained had the transactions been conducted on a principal basis (i.e., directly with market maker firms). However, the total cost (i.e., price plus/minus commission) of executing an OTC equity transaction through an OTC broker on an agency basis will generally be less favorable than that of executing the same transaction directly with a market maker firm on a principal basis because the OTC broker will receive a commission for its services including for the provision of research products, services, or credits. Genter Capital will take steps intended to ensure that these commissions paid are reasonable in relation to, among other things: (i) the value of all the brokerage and research products and services provided by that OTC broker and (ii) the quality of execution provided by that OTC broker. Accordingly, Genter Capital uses OTC brokers to effect OTC equity transactions for its clients where the total cost is, in Genter Capital’s opinion, reasonable, but not necessarily the lowest total cost available.

Directed Brokerage

The client should be aware that directing brokerage may result in the client not being able to participate in an allocation of share/par value of a stock, convertible, or bond if such issue is being offered by another broker or dealer. Subject to the foregoing, the client’s designation of a broker and the negotiated rate of commission agreed upon between the two parties will generally be honored.

In cases where commission rates are not negotiated because of a client instruction, the client should also be aware of and should take into consideration the following:

- 1) a conflict of interest may exist to the extent Genter Capital receives or may receive referrals from the broker or dealer;
- 2) the client may pay higher commission rates due to Genter Capital's inability to fully negotiate the commission rate and/or obtain volume discount when the client's transaction is combined with those of other clients and traded as a "block."
- 3) execution of all trades for the client by one broker or dealer could result in failure to receive the best execution in some transactions; and/or
- 4) the clients' instructions may restrict Genter Capital's ability to allocate brokerage to receive research-related products and services which may be of benefit to the client's account and to other accounts.

Brokerage for Client Referrals

Genter Capital receives client referrals from Charles Schwab & Co., Inc. ("Schwab") through Genter Capital's participation in Schwab Advisor Network ("the Service"). The Service is designed to help investors find an independent investment advisor. Schwab is a broker-dealer independent of and unaffiliated with Genter Capital. Schwab does not supervise Advisor and has no responsibility for Genter Capital's management of clients' portfolios or Advisor's other advice or services. Genter Capital pays Schwab fees to receive client referrals through the Service. Genter Capital's participation in the Service may raise potential conflicts of interest described below.

Genter Capital pays Schwab a Participation Fee on all referred clients' accounts that are maintained in custody at Schwab and a Non-Schwab Custody Fee on all accounts that are maintained at, or transferred to, another custodian. The Participation Fee paid by Genter Capital is a percentage of the fees the client owes to Genter Capital or a percentage of the value of the assets in the client's account, subject to a minimum Participation Fee. Genter Capital pays Schwab the Participation Fee for so long as the referred client's account remains in custody at Schwab. The Participation Fee is billed to Genter Capital quarterly and may be increased, decreased, or waived by Schwab from time to time. The Participation Fee is paid by Genter Capital and not by the client. Genter Capital has agreed not to charge clients referred through the Service fees or costs greater than the fees or costs Genter Capital charges clients with similar portfolios who were not referred through the Service. Genter Capital generally pays Schwab a Non-Schwab Custody Fee if custody of a referred client's account is not maintained by, or assets in the account are transferred from Schwab. This Fee does not apply if the client was solely responsible for the decision not to maintain custody at Schwab. The Non-Schwab Custody Fee is a onetime payment equal to a percentage of the assets placed with a custodian other than Schwab. The Non-Schwab Custody Fee is higher than the Participation Fees Genter Capital generally would pay in a single year. Thus, Genter Capital will have an incentive to recommend that client accounts be held in custody at Schwab. The Participation and Non-Schwab Custody Fees will be based on assets in accounts of Genter Capital's clients who were referred by Schwab and those referred clients' family members living in the same household. Thus, Genter Capital will have incentives to encourage household members of clients referred through the Service to maintain custody of their accounts and execute transactions at Schwab and to instruct Schwab to debit Genter Capital's fees directly from the accounts.

For accounts of Genter Capital's clients maintained in custody at Schwab, Schwab will not charge the client separately for custody but will receive compensation from Genter Capital's clients in the form of commissions or other transaction-related compensation on securities trades executed through Schwab.

Schwab also will receive a fee (generally lower than the applicable commission on trades it executes) for clearance and settlement of trades executed through broker-dealers other than Schwab. Schwab's fees for trades executed at other broker-dealers are in addition to the other broker-dealer's fees. Thus, Genter Capital may have an incentive to cause trades to be executed through Schwab rather than another broker-dealer. Genter Capital nevertheless acknowledges its duty to seek best execution of trades for client accounts. Trades for client accounts held in custody at Schwab may be executed through a different broker-dealer than trades for Genter Capital's other clients. Thus, trades for accounts custodied at Schwab may be executed at different times and different prices than trades for other accounts that are executed with other broker-dealers.

Genter Capital may recommend that clients establish brokerage accounts with the Schwab Institutional Division of Charles Schwab & Co. (Schwab), a registered broker-dealer, Member SIPC, to maintain custody of clients' assets and to effect trades for their accounts. Schwab provides Genter Capital with access to its institutional trading and operations services, which are typically not available to Schwab retail investors. These services generally are available to independent investment advisors on an unsolicited basis, at no charge to them so long as a total of at least \$10 million of the advisor's clients' assets is maintained in accounts at Schwab Institutional and is not otherwise contingent upon Advisor committing to Schwab Institutional any specific amount of business (assets in custody or trading). Schwab's services include brokerage, custody, and access to mutual funds and other investments that are otherwise generally available only to institutional investors or would require a significantly higher minimum initial investment.

Schwab Institutional also makes available to Genter Capital other products and services that benefit Genter Capital but may not necessarily benefit its clients' accounts. Some of these other products and services assist Genter Capital in managing and administering clients' accounts. These include software and other technology that provide access to client account data (such as trade confirmations and account statements), facilitate trade execution (and allocation of aggregated trade orders for multiple client accounts), pricing information and other market data, facilitate payment of Genter Capital's fees from its clients' accounts, and assist with back-office support, recordkeeping, and client reporting. Many of these services generally may be used to service all or a substantial number of Genter Capital's accounts, including accounts not maintained at Schwab Institutional. Schwab Institutional may also provide Genter Capital with other services intended to help Genter Capital manage and further develop its business enterprise. These services may include consulting, publications, conferences and presentations on practice management, information technology, business succession, regulatory compliance, and marketing. In addition, Schwab may make available, arrange and/or pay for these types of services to Genter Capital by independent third parties. Schwab Institutional may discount or waive fees it would otherwise charge for some of these services or pay all or a part of the fees of a third-party providing these services to Genter Capital. While as a fiduciary, Genter Capital endeavors to act in its clients' best interests, and its recommendation that clients maintain their assets in accounts at Schwab may be based in part on the benefit to Genter Capital of the availability of some of the foregoing products and services and not solely on the nature, cost or quality of custody and brokerage services provided by Schwab, which may create a potential conflict of interest.

Advisor serves on the Schwab Advisor Services Technology, Operations and Service Advisory Board (the "TOS Advisory Board"). The TOS Advisory Board consists of representatives of independent investment advisory firms who have been invited by Schwab management to participate in meetings and discussions of Schwab Advisor Services' services for independent investment advisory firms and their clients. TOS Advisory Board members enter nondisclosure agreements with Schwab under which they

agree not to disclose confidential information shared with them. This information generally does not include material nonpublic information about the Charles Schwab Corporation, whose common stock is listed for public trading on the New York Stock Exchange (symbol SCHW). The TOS Advisory Board meets in person or virtually approximately twice per year and has periodic conference calls scheduled as needed. TOS Advisory Board members are not compensated by Schwab for their service, but Schwab does pay for or reimburse TOS Advisory Board members' travel, lodging, meals, and other incidental expenses incurred in attending Board meetings.

Order Aggregation

As part of its effort to obtain best execution, Genter Capital may aggregate orders for several or more clients (a practice known as block trading). Each client that participates in a block trade will receive the average share price and a pro rata portion of the transaction costs on the trade. When recommending or effecting a transaction in a particular investment for more than one client, Genter Capital may be required to allocate such recommendations or transactions because of market conditions or limited supply and demand. Limited opportunities will be allocated among clients on such basis as Genter Capital deems equitable. In addition, unless transactions for multiple clients are aggregated, transactions in specific investments may not be recommended or effected at the same time or at the same price for all client accounts for which such transactions might be appropriate. Genter Capital will seek to ensure that no client account will be favored consistently over any other client account.

Cross Transactions

Subject to any applicable restrictions or requirements under ERISA or the Investment Company Act of 1940, Genter Capital may seek to adjust or rebalance client investment accounts periodically by effecting cross-trades between or among client investment accounts (i.e., causing one or more client accounts to sell securities to one or more other client accounts). In effecting these cross-trades, Genter Capital seeks to reduce the transaction costs to its clients of the account adjustments. All cross-trades will be consistent with the investment objectives and policies of each client account involved in the trades and will be effected at the current independent market price of the securities involved in the trades. The cross-trades will be effected through broker-dealers not affiliated with Genter capital, and the client accounts involved in the cross-trades will not pay any brokerage commissions or other transactions costs in connection with the trades, but the accounts will pay customary transfer fees (e.g., ticket charges) that are assessed by the broker-dealers through which Genter Capital effects the cross-trades. Genter Capital limits cross transactions to municipal bonds only, in order to retain positions that are deemed to be of benefit to its clients.

Trade Errors

As a fiduciary, Genter Capital has the responsibility to effect orders correctly, promptly and in the best interests of our clients. In the event an error occurs in the handling of any client transactions due to Genter Capital's actions, or inaction, or actions of others, Genter Capital's policy is to seek to identify and correct any errors as promptly as possible without disadvantaging the client. If the error is the responsibility of Genter Capital, any client transaction will be corrected and Genter Capital will be responsible for reimbursing the client for any loss resulting from an inaccurate or erroneous order. If the broker-dealer is responsible for the error, Genter Capital will take necessary steps under the circumstances to see that the appropriate correction is made by the broker-dealer. Genter Capital may establish error accounts with the broker-dealer in its name for purposes of correcting its own errors. Any profit generated by errors is transferred to the error account and used together with any necessary

funds contributed by the firm to compensate clients for any loss resulting from trade errors or donated to charity.

However, some broker-dealers may have differing error correction practices. For instance, Schwab's practice is as follows: If an investment gain results from correcting the trade, the gain will remain in the client's account unless the same error involved other client account(s) that should have received the gain, or it is not permissible for the client to retain the gain, or we confer with client and client decides to forego the gain (e.g., due to tax reasons). If the gain does not remain in the client's account, Schwab will donate the amount of any gain \$100 and over to charity. If a loss occurs greater than \$100, Advisor will pay for the loss. Schwab will retain the loss or gain (if such gain is not retained in client's account) if it is under \$100 to minimize and offset its administrative time and expense. Generally, if related trade errors result in both gains and losses in the client's account, they may be netted by Schwab.

Genter Capital's policy and practice is to regularly monitor and reconcile all trading activity, identify, and resolve any trade errors promptly, document each trade error with appropriate supervisory approval and maintain a trade error file.

Review of Accounts

Periodic Reviews

The individual portfolio managers continuously monitor the accounts they manage. When a security acquisition is contemplated, accounts are reviewed to determine whether the particular security is appropriate when taking into account such factors as diversification, risk, and return. When a security position is to be sold, the affected accounts are also reviewed. The accounts are reviewed frequently to assess the total portfolio taking into account such factors as diversification, risk, return and relative performance.

Regular Reports

Clients receive a written quarterly summary of their portfolio which includes portfolio characteristics, sector diversification, security description, percent of each security, quantity, original unit cost, total cost, market price, market value, annual interest/dividend rate, annual income, and percent yield. This summary also shows the management fees paid by the client. These reports are in addition to the confirmations and/or reports the client may receive directly from the brokerage firm, trustee, or custodian.

Client Referrals and Other Compensation

Incoming Referrals

Genter Capital may from time to time compensate non-employees for referrals. Pursuant to Rule 206(4)-3 of the Investment Advisers Act of 1940, Genter Capital is required to have written agreement with such parties with respect to solicitation activities and referral fees, and clients referred pursuant to such arrangements must receive a disclosure document describing the arrangement and must provide written acknowledgement of receipt of such disclosure document. Genter Capital compensates such parties for referrals out of management fees received on referred accounts for a specified or indefinite period of time. This does not increase the management fee incurred by the client.

When a broker refers a client to the firm, Genter Capital may direct brokerage business to that broker usually at rates which the firm determines are competitive based on current circumstances. However, Genter Capital generally does not negotiate commission rates where a client and a broker have separately negotiated a mutually acceptable commission rate or the client has entered into a wrap fee agreement as outlined in the following section. Similarly, certain of the referral relationships described above may involve prearranged or directed brokerage arrangements, and it is possible that clients in such arrangements will pay higher commission rates and/or receive different execution prices than the fees paid and/or prices received by other Genter Capital clients. *Please refer to the section entitled Brokerage Practices for additional information.*

Custody

Account Statements

Client's funds and securities will be maintained with a "qualified custodian" as required under SEC Rule 206(4)-2, and Genter Capital will not act as custodian of any client's funds or securities. However, due to its ability to deduct fees directly from client accounts and also to direct the "qualified custodian" to transfer clients' funds to designated third parties as authorized by the client, Genter Capital is considered to have custody of client funds and securities under Rule 206(4)-2. Genter Capital will follow the requirement of this Rule for any client for which it has custody. Each client will receive, at least quarterly, an account statement directly from the custodian. Clients of Genter Capital are urged to compare the reports provided by Genter Capital (*as discussed within the section entitled Review of Accounts*) to the reports provided by the qualified custodian.

Investment Discretion

Discretionary Authority for Trading

Genter Capital has discretionary authority to make the following determinations without obtaining the consent of the client before the transactions are effected:

- (A) Which securities are to be bought or sold;
- (B) The total amount of the securities to be bought or sold;
- (C) Through which broker securities are to be bought or sold; and
- (D) The commission rates at which securities transactions for client accounts are effected.

However, Genter Capital's authority may be subject to conditions imposed by the client, examples of which may include: 1) the client restricts or prohibits transactions in securities of a specific industry, and/or 2) the client directs that transactions be effected through specific brokers and dealers. The latter restriction may be conditioned by the client on the broker or dealer being competitive as to price and execution for each transaction, or offering a specified level of commission discount or may be subject to varying degrees of restrictions such as an instruction to utilize a particular broker or dealer: a) whether or not competitive, and b) where the specified levels of commission discounts are less favorable than might otherwise be obtained by Genter Capital.

Voting Client Securities

Proxy Votes

Genter Capital has adopted and implemented written policies and procedures that we believe are reasonably designed to ensure that proxies are voted in the best interest of our clients, in accordance with our fiduciary duties and Rule 206(4)-6 under the Investment Advisers Act of 1940.

We treat seriously our responsibility to exercise voting authority over securities that are held in our clients' portfolios. Proxy statements often contain controversial issues involving, among other things, shareholder rights and corporate governance, which deserve careful review and consideration.

Genter Capital's policy is to review each proxy statement on an individual basis and to establish its voting decision exclusively on its judgment of what will best serve the interests of the beneficial owners of the security. However, Genter Capital will have no responsibility for voting client proxies with respect to certain types of assets held in the portfolio at client's own direction or as a result of such direction, including securities with restrictions not to sell, securities that are held in the same account with the broker or custodian but not for Genter Capital management, etc. Proxies are generally considered by the securities analyst responsible for monitoring the security being voted. That person will cast his or her votes in accordance with Genter Capital's Proxy Voting Policies and Procedures. Genter Capital has also adopted procedures to address circumstances where a proxy proposal creates a material conflict of interest between Genter Capital and a client. Generally, any non-routine matters or matters that may create conflicts of interest between Genter Capital and its clients are referred to a Senior Investment Officer for consideration. Genter Capital maintains certain records relating to its proxy voting policies, including copies of the Proxy Voting Policy and Procedures, a record of all votes cast by Genter Capital, and client communications related to proxy voting. Any client may receive a record of how proxies with respect to securities held in his or her portfolio were voted by submitting a written request to Genter Capital. Additionally, any client may receive a copy of Genter Capital's Proxy Voting Policies and Procedures by submitting a written request to Genter Capital, or by calling Genter Capital's toll free number: 800.877.7624. Please direct all Proxy Request Fulfillments to the Genter Capital Operations Department - Proxy.

Clients may restrict Genter Capital from voting their proxies by written authorization. When Genter Capital does not vote any proxies for client account, the custodian and/or broker will provide their proxies. In these situations, Clients may contact Genter Capital to solicit advice on their proxies.

Financial Information

Genter Capital does not require prepayment of fees over \$1,200 and six months in advance and therefore is not required to supply an audited financial statement.

Genter Capital is not subject to any financial condition that is reasonably likely to impair its ability to meet contractual commitments to clients.

Additional Information: Privacy Policy

At Genter Capital Management ("Genter Capital") we realize that our most valuable asset is our relationship with you. You have trusted us to manage your assets and in turn we will do everything in our capabilities to preserve your trust. Genter Capital collects nonpublic personal information about you from the following sources:

- **Account Applications and Forms** - In order to effectively manage your account, it is necessary for us to collect and maintain personal information about our clients. This information may include names, addresses, phone numbers, social security numbers, account numbers, e-mail addresses, tax information and other relevant information needed to open and manage your account.
- **Transaction Information** - Once you have set up an account with Genter Capital Genter, to administer your account, we collect and maintain personal information about you in order to process transactions. This may include account balances, security positions, your trade history, and cost basis information.
- **Verbal Information** - At times information may be given to us verbally. This information may either come from you or a third-party source such as a custodian company, broker, or investment advisor working with Genter Capital. This information may include information necessary for account applications or transactions.
- **Website Usage** - Genter Capital may collect information from our Web site users (www.gentercapitalmanagement.com) through their direct input on the Web site. In such cases you have chosen to identify yourself. This information may include such things as names, addresses, phone numbers, e-mail addresses, and Web pages.

At Genter Capital, we do not disclose any nonpublic personal information about our clients or former clients, except as required by law or in response to inquiries by governmental authorities. We may, however, disclose information to unaffiliated third parties (such as brokers or custodians) as permitted by law. This information is disclosed as needed to help us process transactions for your account (i.e., trade execution at an exchange) or provide the agreed services to you.

Your personal and account information is restricted to those employees who are required to access your information in order to provide products and services to you. We maintain physical, electronic, and procedural safeguards to protect your nonpublic personal information.