FORM ADV PART 2A – APPENDIX 1
WRAP FEE PROGRAM BROCHURE

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This wrap fee program Brochure provides information about the qualifications and business practices of Brookstone Capital Management, LLC. If you have any questions about the contents of this Brochure, please contact us at compliance@brookstonecm.com or (630) 653-1400. The information in this Brochure has not been approved or verified by the United States Securities and Exchange Commission (SEC) or by any other state securities authority.

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

Brookstone Capital Management, LLC is a registered investment advisor. Registration with the United States Securities and Exchange Commission (SEC) or any state securities authority does not imply a certain level of skill or training.

ITEM 2 - SUMMARY OF MATERIAL CHANGES

This Form ADV Part 2A - Appendix 1 -Wrap Fee Program Brochure (Wrap Brochure) has been updated to reflect material changes. Our previous version of the Wrap Brochure was dated September 21, 2021. We encourage you to review this carefully and to contact your investment advisor representative with any questions you may have.

Pursuant to Rule 204-3(b)(2) of the Investment Advisers Act of 1940 (as amended), Brookstone Capital Management, LLC (BCM) can provide either a summary page of material changes and offer to provide this Wrap Brochure or a copy of the entire Wrap Brochure. Copies of the Wrap Brochure are available at any time by contacting either BCM at compliance@brookstonecm.com or your Investment Adviser Representative. The Wrap Brochure is also available on our website www.brookstonecm.com.

No material changes have been made since the previous brochure dated August 24, 2022.

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ITEM 4 - SERVICES, FEES AND COMPENSATION

The purpose of this brochure is to describe certain details relating to the Wrap Fee Program of Brookstone Capital Management, LLC (BCM) and your participation in the program. BCM offers its Wrap Fee Program through its investment advisor representatives (IARs) and IARs of its affiliate, Brookstone Wealth Advisors, LLC (also known as Retirement Wealth Advisors or RWA), as well as to unaffiliated registered investment advisors (RIAs) and their IARs who wish to have access to BCM's Wrap Fee Program (hereinafter, "Outside RIAs"; collectively referred to as "Advisors").

Depending on the custodian selected by the client, BCM can offer its asset management program as a wrap fee program. A wrap program is a program where this firm 'wraps' both the asset management fees for advisory services and the transaction fees for execution services into a single fee charged to the client. Under a Wrap Fee arrangement, a client's costs are the same regardless of the number of transactions in an account. Conversely in a non-wrap fee advisory account, a client would pay an asset management fee and a separate transaction fee for each transaction within the account, when applicable.

The wrap fee program is available for all BCM managed models that are held with TD Ameritrade, Inc. ("TD Ameritrade") and Charles Schwab & Co., Inc. ("Schwab"). As such, client accounts held at TD Ameritrade or Schwab and under BCM managed models do not have a choice between a wrap and a non-wrap account, and all client accounts will be charged on a Wrap Fee basis, as outlined below. The wrap program does not cover anything held outside a BCM Model, such as a legacy position or client initiated purchases.

A wrap fee is not based directly on the number of transactions in your account. Various factors influence the relative cost of BCM's wrap fee program to you, including the cost of BCM's investment advice, custody and brokerage services if you purchased them separately, the types of investments held in your account, and the frequency, type and size of trades in your account. Wrap Programs may be more expensive to clients where there is little trading activity in the account, where a buy & hold strategy is applied, or where no or low transaction cost investments are utilized. Alternatively, a Non-Wrap Program may be more expensive if there is frequent trading activity in the account, if many transaction-based investments are utilized in the management of the account, or if there is frequent re-balancing within the account.

Since your costs are the same regardless of the number of transactions actually effected in your account in any given month, the wrap fee (described below) may be lower or higher than the separate commission expense and management fee would be for the same transactions. Clients should determine their level of trading activity relative to the potentially higher rates charged in a wrap account to determine whether a wrap account is cost effective, or whether the client would pay more, or less, outside the program or at another firm.

BCM pays TD Ameritrade or Schwab a single asset-based fee in lieu of transaction-based commissions. When managing a client's account on a wrap fee basis, BCM receives as compensation for our investment advisory services, the balance of the total wrap fee you pay after custodial, trading and other management costs (including execution and transaction fees) have been deducted. Accordingly, BCM has a conflict of interest because we have a financial incentive to maximize our compensation by seeking to reduce or minimize the total costs incurred in your account(s) subject to a wrap fee.

Schwab and other custodians have eliminated commissions for online trades of US equities, ETFs and options (subject to $0.65 per contract fee). This means that, in most cases, when we buy and sell these types of securities, we will not have to pay any commissions to Schwab. However, we encourage you to review Schwab's pricing to compare the total costs of entering into a wrap fee arrangement, as your total cost to invest could exceed the cost of paying for brokerage and advisory services separately. To see what you would pay for transactions in a non-wrap account, please refer to Schwab's most recent pricing schedules available at schwab.com/aspricingguide.com.

ASSET MANAGEMENT SERVICES

BCM's principal service is providing fee-based investment advisory services. BCM manages investment portfolios, on a discretionary basis, according to the client's objectives. BCM obtains data from potential clients addressing financial objectives, needs, risk tolerance, investment horizon and other pertinent information. This information is gathered and reported on an Investment Policy Statement (IPS) and Risk Profile Questionnaire and is analyzed by BCM IARs and Outside RIAs. Once the analysis is completed, the IAR or Outside RIA develops an investment strategy with the potential client that addresses specific investment styles and allocation of the client's assets. BCM may use a combination of equities, mutual funds, exchange traded funds, structured products (including certificates of deposit and notes), individual bonds, and options in securities to accomplish these objectives. BCM may partner with Sub-Advisory firms to create and manage portfolio strategies. A client's portfolio is allocated according to the client's risk profile and documented on the IPS.

BCM generally uses Unified Managed Accounts (UMA) whenever possible. This allows for multiple strategies to be managed and held within the same account. Accounts holding options cannot participate in UMA.

In addition, BCM offers discretionary Asset Management Services to clients through customized individual investment accounts (aka separately managed accounts). In such accounts, BCM transacts in mutual funds, exchange traded funds, equities, fixed income securities and other securities authorized by BCM on a discretionary basis pursuant to investment objectives chosen by the client. Clients are encouraged to refer to the individual mutual fund or ETF prospectus for the risks associated with each specific fund.

Another asset management service available, the RAISE 360 Portfolios, consists of pre-selected model portfolio allocations created by BCM and its investment committee to align with specific risk tolerances. These portfolios typically contain mutual funds, exchange traded funds, equities, and other securities authorized by BCM, and are managed on a discretionary basis by the BCM investment committee pursuant to investment objectives as chosen by the client via the Risk Profile Questionnaire. Please see the Items 5, 7 and 10 of this Wrap Brochure for more information related to our asset management fees, risks, and conflicts of interest.

ASSETS UNDER MANAGEMENT

BCM has discretionary assets under management of $7.5 billion. The calculation for determining the assets under management was completed as of December 31, 2022.

ASSET MANAGEMENT FEES

Pursuant to the Agreement signed by each client, the client will pay BCM a monthly Management/Wrap Program Fee, payable in arrears, prorated based on the amount of the assets to be managed by the advisor as of the opening of business on the first business day of each month. In the event a client should withdraw from a strategy mid month the prorated advisory fee will be charged at that time.

These fees cover (i) an initial analysis and periodic re-evaluation of the client's investment objectives and needs, and discretionary allocation among portfolio managers, (ii) all advisory services, including fees of portfolio managers, (iii) account statements, (iv) brokerage and execution services provided by TD Ameritrade and Schwab, and (v) custody.

Additionally, all accounts will be charged a monthly $8 fee, subject to change based on the terms, conditions, and fees of providers. In some cases, an account may not be subject to this monthly fee if the account has been grandfathered on a different fee schedule as disclosed in the client's applicable advisory agreement. These fees will be deducted automatically from client accounts and shall be used by BCM to utilize software allowing the firm and IARs or Outside RIAs to consolidate all accounts through a portfolio accounting system and create consolidated, on-demand performance reports. Moreover, clients will have the capability to create an online profile allowing them to login to BCM's portfolio accounting system and view their own account in "real time" on a consolidated basis. The fee is charged regardless of whether the technology is used or not. As a courtesy, for any client accounts below $8,000 in AUM, BCM will proportionately reduce this monthly fee by $1 per every $1,000.

The IAR or Outside RIA who recommends the BCM Wrap Fee Program, receives compensation as a result of a client's participation in the program. The amount of this compensation may be more than what the IAR or Outside RIA would receive if the program client paid separately for investment advice, brokerage and other services. The IAR or Outside RIA may therefore have a financial incentive to recommend the program over other programs and services. BCM may use both internal and external portfolio managers and they would receive a portion of the BCM advisory fee. The client agrees to pay a fee monthly, in arrears, for the advisory services provided by BCM pursuant to the Agreement signed by each client. The fee is calculated based on the value of the account on the last day of the month, prorated to the number of days the account is funded.

Certain fees may be negotiated by the IAR or Outside RIA at the sole discretion of the advisor. Asset management fees will be automatically deducted from the client account on a monthly basis by the custodian. Clients may request to terminate their advisory contract with BCM, in whole or in part, by providing 30 days advance written notice. Upon termination, any fees paid in advance will be prorated to the date of termination and any excess will be refunded to client. The client's advisory agreement with the Advisor is non-transferable without the Client's written approval.

ADDITIONAL FEE INFORMATION AND DISCLOSURES

The BCM wrap fee covers our advisory services and the brokerage services provided by TD Ameritrade and Schwab (including custody of assets, equity trades, ETFs, and agency transactions in fixed income securities). As a result, the firm has an incentive to execute transactions for your account at either TD Ameritrade or Schwab.

The BCM wrap fee does not cover all fees and costs. The fees not included in the wrap fee include charges imposed directly by a mutual fund, index fund, or exchange traded fund which shall be disclosed in the fund's prospectus (i.e., fund management fees and other fund expenses), mark-ups and mark-downs, spreads paid to market makers, fees (such as a commission or mark-up) for trades executed away from TD Ameritrade or Schwab at another broker/dealer, wire transfer fees and other fees and taxes on brokerage account and securities transactions.

All fees paid to BCM for investment advisory services are separate and distinct from the fees and expenses charged by Mutual Funds, Exchange Traded Funds (ETFs), Variable Annuities, and other Investment Managers, broker/dealers and custodians retained by clients, if any. Such fees and expenses are described in each Mutual Fund's and Variable Annuity's prospectus, each Manager's Form ADV Part 2A, Wrap Brochure or similar disclosure statement, and by any broker/dealer or custodian retained by a client. Mutual Fund, Variable Annuities, and Manager fees generally include a management fee, fund expenses, and related fees. If a Mutual Fund also imposes sales charges, a client may pay an initial or deferred sales charge as further described in the Fund's prospectus. Refer to the Mutual Fund or Variable Annuity prospectus for a complete description of fees and services.

Certain ETFs pay advisory fees to their investment advisors, which reduces the net asset value of the fund. Some ETFs are organized as unit investment trusts and do not have an investment advisor. However, all ETFs do incur expenses related to their management and administration that are analogous to an investment advisor's management fee. These expenses affect the value of the investment.

BCM may pay referral fees to any other advisor or third party who might recommend your participation in this wrap fee program. Should the wrap fee (described above) be higher than the commission expense for the same transactions, the portfolio manager has an economic incentive to recommend your participation in this program. Please review your previous level of transaction activity and related expenses to determine whether you will likely benefit from the complete line of services being provided under this wrapped fee program.

While you will not be charged brokerage commissions under this Wrap Fee Program, please note that your brokerage account may be charged a service charge by the clearing firm, as well as potential account opening, closing, or similar servicing fees, in addition to your wrap fees. Certain IRA accounts may be charged custodial or other service fees as well. If your account is invested in mutual funds, the mutual fund company may assess administrative charges against your investment in that fund. These fees are not charged by BCM, but rather by the product sponsor, brokerage firm, or custodian firm. In the normal course of effecting transactions, prices for certain trades made on behalf of your account may include mark-ups, mark-downs, and spread differentials.

In addition, from time to time, we initiate incentive programs for IARs. These programs may compensate them for attracting new assets and Clients promoting investment advisory services. BCM may also initiate programs that reward IARs who meet total production criteria, participate in advanced training and/or improve client service. IARs who participate in these incentive programs may be rewarded with cash and/or non-cash compensation, such as deferred compensation, bonuses, training symposiums, marketing assistance and recognition trips.

In addition to the advisory services, the wrap fee program includes certain brokerage services of TD Ameritrade and Schwab, broker/dealers registered with the Securities and Exchange Commission and members of FINRA and SIPC. BCM is independently owned and operated and not affiliated with TD Ameritrade or Schwab. TD Ameritrade and Schwab will act solely as a broker/dealer and not as an investment advisor to you. They will have no discretion over your account and will act solely on instructions received from BCM (or you). TD Ameritrade and Schwab have no responsibility for BCM services and undertake no duty to you to monitor BCM's management of your account or other services BCM provides to you. TD Ameritrade or Schwab will hold your assets in a brokerage account and buy and sell securities and execute other transactions BCM (or you) instruct them to. BCM does not open the account for you.

REGULATORY FEES

To facilitate the execution of trades, regulatory Trading Activity Fees (TAF) are added to applicable sales transactions. The Securities and Exchange Commission (SEC) regulatory fee is assessed on client accounts for sell transactions, and a FINRA fee is assessed on client accounts for sell transactions, for certain covered securities. This fee is not charged by BCM but is accessed and collected by the custodian, TD Ameritrade or Schwab. TD Ameritrade and Schwab, custodians used by BCM, are FINRA member firms. These fees recover the costs incurred by the SEC and FINRA, for supervising and regulating the securities markets and securities professionals.

The fee rates vary depending on the type of transaction and the size of that transaction. Trading Activity Fees rates are: $0.000119 per share for each sale of a covered equity security, with a maximum of $5.95 per trade, $0.002 per contract for each sale of an option, $0.00075 per bond for each sale of a covered bond with a maximum charge of $0.75 per trade. All charged fees will be rounded to the nearest penny using natural rounding logic. For a rounding example, $0.004 rounds to $0.00 and $0.016 rounds to $0.02.

An example of an equity TAF, if 100 shares of a covered equity were sold, the fee would be $0.000119 x 100 which equals $0.0119, which would be rounded to $0.01.

For more information on the SEC and FINRA fees, please visit their websites:
www.sec.gov/fast-answers/answerssec31htm.html
www.finra.org/industry/trading-activity-fee

ITEM 5 - FEE SCHEDULES

Brookstone Capital Management allows your IAR or Outside RIA to set fees within ranges provided by BCM. As a result, your investment advisor representative may charge more or less for the same service than another investment advisor representative of BCM. The exact fees and other terms will be outlined in the agreement between you and BCM as notated on the Investment Policy Statement (IPS) Part B. Clients should be aware that lower fees for comparable services may be available from other sources.

A portion of the fees charged for our direct asset management services offered through the BCM Platform are negotiable by each of our IARs or Outside RIAs based upon the type of client, the complexity of the client's situation, the composition of the client's account (i.e., equities versus mutual funds), the amount of active management of the client's portfolio, the relationship of the client with the IAR or Outside RIA, and the total amount of assets under management for the client.

Based upon the above negotiability factors, each IAR or Outside RIA is allowed to set BCM's total investment advisory fee up to a maximum amount of 2.5% annually. The fee charged to each client includes a portion attributable to BCM and a portion attributable to the IAR or Outside RIA, which is negotiable. The BCM fee can range from .10% to .95% annually, depending on the program or strategy selected, and the IAR or Outside RIA fee can be a maximum of 1.55%. For example, a common distribution for a total annual fee of 1.50% would include an allocation of .50% to BCM (including the asset based custodial fee if a wrap fee program is chosen) and an allocation of 1% to the advisor. This example is for illustrative purposes only. The actual total annual fee (which includes BCM's fee and the IAR/Outside RIA fee) charged for the BCM Platform will be specified in the client's agreement with BCM, Investment Policy Statement (IPS) Part B.

Due to BCM acting as investment advisor for both the account allocation, as well as manager of some proprietary mutual funds and ETFs, when these proprietary funds are used, we provide advisory fee discounts to ensure transparent and fair pricing to clients and to help mitigate conflicts of interest.

USE OF OUR AFFILIATED ETFS

FormulaFolios (FFI), an affiliate of BCM, serves as the investment advisor to the FormulaFolios Hedge Growth ETF, Income ETF, Smart Growth ETF, and Tactical Growth ETF. As the advisor to these funds, FFI earns management fees for investments made into these funds.

When BCM invests assets in your account in shares of our affiliated ETFs, you are subject to those funds' internal management fees and other expenses in addition to the annual management fee you pay us for advisory services. This additional compensation that we earn from the internal management fees on our proprietary funds creates a conflict of interest by incentivizing us to use our funds instead of unaffiliated ETFs. We seek to mitigate this conflict of interest by disclosing this additional compensation to you and providing advisory fee discounts, which together help ensure transparent and fair pricing to our clients. Specific management fee and related expense information are found in the prospectus and other offering documents as noted in the previous section. We want clients to understand that our funds were created and added to various models in order to help offset transaction costs of investing in individual stocks, as well as to seek to achieve greater conformity with the desired target weights for each individual stock in a given model. BCM is committed to its obligation to ensure associated persons adhere to the Firm's Code of Ethics and to ensure that the Firm and its associated persons fulfill their fiduciary duty to clients. Portfolio holdings are monitored to ensure they are consistent with the client's objectives and representatives are not incented to direct client investments to models that have a higher percentage of assets in our proprietary funds.

For a complete description of these fees, and the fund investment objective and risks, please refer to the fund prospectus and Item 10 of this Wrap Brochure.

ITEM 6 - ACCOUNT REQUIREMENTS AND TYPES OF CLIENTS

BCM generally provides investment advice to individuals, pension and/ or profit sharing plans, trusts, estates, charitable organizations, corporations and other business entities. Requirements for opening an account could vary depending on the program selected, but typically minimum account size requirements are between $5,000 and $100,000. BCM may, at its discretion, accept accounts below the minimum required amount. Prior to engaging BCM to provide any of the investment advisory services described in this Wrap Brochure, the client will be required to enter into a written agreement setting forth the terms and conditions under which the firm shall render its services.

ITEM 7 - PORTFOLIO MANAGER SELECTION & EVALUATION

Your Portfolio Manager is a person, with relevant securities industry experience and industry required licenses, who is a registered Investment Advisor Representative (IAR) of BCM or its affiliate, Brookstone Wealth Advisors, LLC (also known as Retirement Wealth Advisors, LLC or RWA), or is an unaffiliated registered investment advisor (RIA) or their affiliated IAR (collectively Outside RIA). Therefore, the IAR or Outside RIA will be your portfolio manager.

The BCM Investment Committee directs the management of all portfolios, including all trading decisions, decisions related to holdings, and rebalancing. Third party Registered Investment Advisor firms (Sub-Advisors) may also be employed to manage the various models through the use of a trade signal agreement. The BCM Investment Committee also reviews the performance of each portfolio manager quarterly. The team will compare the performance of each manager to securities industry benchmarks (such as the S&P 500 for growth funds and accounts with "growth" as the investment objective of the account) and other comparable peer group benchmarks.

Should you wish an IAR other than the person with whom you have been regularly dealing, you may contact BCM at any time, who will ensure that you are re-assigned to a mutually agreed upon IAR. To make such a change all you need to do is make your request in writing and submit it to BCM's main office address, as listed on the cover page of this Wrap Brochure.

ADVISORY BUSINESS

In addition to providing the Wrap Fee Program described in this Wrap Brochure, the firm also provides Financial Planning Services and other investment advisory services, as outlined in the BCM Form ADV Part 2A. Please refer to BCM's Form ADV Part 2A for additional information related to the other advisory services offered, including fees charged for these services.

The above listed advisory services can be tailored to each client – as such, if any client requires any restrictions on any types of stocks or market segments, the client needs to inform their IAR of the restrictions in writing. If, for any reason, the firm is not able to meet the client restrictions, the firm will notify the client of that fact so that the client can determine their requirements and needs.

METHODS OF ANALYSIS, INVESTMENT STRATEGIES, AND RISK OF LOSS

Methods of analysis and investment strategies include charting, fundamental, tactical, cyclical and technical analysis, independent research, and asset allocation implementation strategies. Proprietary software programs may be used to identify market points where either "buy" or "sell" signals are recognized. These signals assist the managers in implementing the specified management strategies of the various managed programs. Quantitative analysis can also be used when analyzing securities. This analysis uses current and historical pricing information to help identify trends in both the domestic and foreign equity and fixed income markets. Technical indicators such as moving averages and trend lines may be further used to identify entry and exit points. Various fundamental data such as overall economic conditions, industry outlook, interest rates and political climate are also considered.

All investment strategies involve risk. There is no assurance that a positive return will be obtained in any managed investment account program. Neither BCM IARs, Outside RIAs, nor Sub-Advisors guarantee the performance of the account, or promise any specific level of performance, or promise that investment decisions, strategies or overall management of the account will be successful. Any investment decisions Sub-Advisors may make for clients are subject to various market, currency, economic, political, interest rate and business risks, will not necessarily be profitable, and are subject to investment risk, including possible loss of principal.

In choosing investment programs utilized by the firm, BCM measures and selects strategies based on length and verifiability of track record, the fund manager's tenure and/or overall career performance, the fund management continuity, investment philosophy and process, and other factors believed to effect account performance. BCM, the IAR, or Outside RIA may recommend, on occasion, redistributing investment allocations to diversify the portfolio in an effort to reduce risk and increase performance. The advisor may recommend buying or selling positions for reasons that include, but are not limited to, harvesting capital gains or losses, business or sector risk exposure to a specific security or class of securities, valuation of the position(s) in the portfolio, change in risk tolerance of client, or any risk deemed unacceptable for the client's risk tolerance.

Please see below for a list of available investment strategies available through BCM. The strategies are divided by the type of investment methodology used, either a Tactical or Strategic Investment Approach. Then, they are further categorized as Equity Strategies, Fixed Income Strategies, Correlation Strategies, and Volatility Strategies. Please refer to the Risk Profile Questionnaire to help determine a recommended allocation amongst these categories. For a more complete description of the individual strategies, please refer to the Investment Policy Statement Part A. The minimum investment for each strategy is listed next to it below.

DEFINITIONS OF INVESTMENT APPROACHES

Tactical Approach

Tactical strategies employ a range of processes to dynamically adjust the securities and/or asset class exposure of a portfolio in an attempt to optimize the portfolio by adapting to changing market conditions. These processes may include methods such as technical analysis, fundamental analysis and quantitative analysis. Managers utilizing tactical strategies seek to build a portfolio that includes the best possible positioning at any given moment, based on the manager's proprietary skills, algorithms, research and overall investment philosophy.

Strategic Approach

Strategic strategies typically set target or fixed asset allocations and then periodically rebalance the portfolio back to those targets as investment returns skew the original asset allocation percentages. Strategic strategies may use an actively-managed approach in which the buy and sell decisions are based primarily upon fundamental analysis or they may use a passively- managed approach to security selection commonly known as indexing.

DEFINITIONS AND RISKS OF INVESTMENT CATEGORIES

Equity Strategies

Equity Strategies Definition

Equity Strategies invest primarily in equity securities (stocks) by either directly investing in shares of the stocks or through using mutual funds and exchange-traded funds (ETFs). Equity securities can vary based on market capitalization (size), industry, sector, and geographic location. Managers employing equity strategies typically use fundamental or technical analysis or a combination of both and commonly differentiate between growth stocks and value stocks. Equity investments are typically considered to be riskier than fixed-income (bond) investments as they historically have a higher standard deviation but have also typically provided higher returns.

Equity: Tactical Strategies

SmartOption ($40K)
Tactical Allocation Series ($25K)

Equity: Strategic Strategies

BCM Energy Sector ($25K)
BCM Dividend Stock Basket ($25K)
BCM Floating Rate Preferred Stock Basket ($25K)
BlackRock Strategic ETF Models ($10K)
Individually Customized Equity Mutual Fund/ETF/ Individual Stock Portfolios
Morningstar Dividend Select Stock ($50K)
Morningstar Hare Select Stock ($50K)
Morningstar Tortoise Select Stock ($50K)
Morningstar U.S. Wide Moat Focus Select Stock ($50K)
RAISE 360° Portfolios ($25K)
RAISE 360° Small Models ($5K)
Multi Manager Allocation Series ($100K)
FF Allocation Series ($50K)
Core Satellite Allocation Series ($25K)
Smart Passive Allocation Series ($25K)
Endeavor Allocation Series ($25K)

Dynamic Allocation Series ($25K)

Equity Strategy Risk

The primary risk of investing in equity securities is that they may decline in value for a variety of reasons, including a broad market downturn, unfavorable developments affecting an entire industry, and specific events affecting a single company. The following is a partial list of the risks associated with investing in various types of equity securities:

- An investment in equity securities should be made with an understanding of the risks involved with owning common stocks (i.e., market risk), such as an economic recession and the possible deterioration of either the financial condition of the issuers of the equity securities (i.e., financial risk) or the general condition of the stock market.
- An investment in foreign stocks is subject to additional risks, including foreign currency fluctuations (i.e., currency or exchange- rate risk), foreign political risks, foreign withholding, possible lack of adequate financial information, and possible exchange control restrictions impacting foreign issuers. These risks may be more pronounced in emerging markets where the securities markets are substantially smaller, less liquid, less regulated and more volatile than developed foreign markets.
- An investment in small-capitalization or mid-capitalization companies may be more volatile than investments in larger, more established companies, and securities of small and mid- size companies typically have more limited trading volumes.
- A portfolio may be concentrated in a particular industry or sector which involves more risk than a broadly diversified portfolio (i.e., allocation risk).
- An investment in a particular industry or company within an industry is subject to the risk that the company will go bankrupt or perform below expectations (i.e., business risk). Every company has the business risk that the broader economy will perform poorly and therefore sales will be poor and also the risk that the market simply will not like its products.

Preferred Stock Risk

The following includes some of the risks associated with investments in preferred stocks:

- Interest Rate Fluctuation - Preferred stocks typically pay a fixed dividend. This tends to make the market price of preferred stocks interest rate-sensitive, similar to bond prices in the secondary market. If prevailing interest rates drop, the market price of preferred stocks tends to rise. But if prevailing interest rates rise, preferred stock prices tend to fall.
- No Dividend Guarantees - Preferred stocks are equity securities, as are common stocks. The dividend on preferred stocks must typically be paid before any dividends can be paid to common stockholders. But the dividends are not guaranteed in the same way that interest payments on the company's bonds are guaranteed. If the company misses an interest payment on its bonds, it is in default of its bond indenture, and bondholders can pursue legal action against company. If the company misses a preferred dividend payment, it's not in default.
- Call Provision - Some preferred stocks include a call provision, which allows the company to redeem its preferred shares on demand. A company is most likely to call its preferred stock when prevailing interest rates fall. In that situation the company could lower its expenses by redeeming the stock for its par value, then reissue it to take advantage of the lower prevailing interest rates.
- Liquidation Risk - If the company goes bankrupt, preferred stockholders must wait until all of the company's creditors are made whole before they have any claim on the company's assets. Bondholders get their money before preferred stockholders.
- Credit quality - While not all preferred stocks are in the junk category, they seldom are highly rated.

Risks Involved with Trading on Margin

Margin is the borrowing of money to purchase securities. There are a number of risks that all investors need to consider in deciding to trade securities on margin. These risks include the following:

- You can lose more funds than you deposit in the margin account. A decline in the value of securities that are purchased on margin may require you to deposit additional funds to avoid the forced sale of those securities or other securities in your account.
- The firm can force the sale of securities in your account. If the equity in your account falls below the maintenance margin requirements under regulations the firm can sell the securities in your account to cover the margin deficiency. You will also be responsible for any short fall in the account after such a sale.
- The firm can sell your securities without contacting you.
- You are not entitled to an extension of time on a margin call. While an extension of time to meet initial margin requirements may be available to customers under certain conditions, a customer does not have a right to the extension. In addition, a customer does not have a right to an extension of time to meet a maintenance margin call.
- Margin Interest –You're responsible for repaying the interest on your margin loan regardless of any changes in interest rates that occurred during the time your loan was outstanding or changes in the market value of the securities you bought on margin.

Mutual Fund Risk

- Investing in other investment companies (mutual funds) is subject to risks affecting the investment company, including the possibility that the value of the underlying securities held by the investment company could decrease. Moreover, such an investment will incur its pro rata share of the expenses of the underlying investment companies' expenses. Information on a specific mutual fund risk and its policies regarding the above topics can be found in its prospectus and Statement of Additional Information. Clients are encouraged to review the prospectus before investing.

ETF (Exchange Traded Fund) Risk

ETFs are each unique securities in their own right and are subject to additional risks that are discussed below:

- ETFs are subject to the funds' managements' abilities to manage the underlying portfolios to meet the funds' stated investment objectives.
- ETFs also may trade at a discount to their net asset value in the secondary market. The structure of an ETF is such that most ETFs' market prices tend to track the funds' respective net asset value closely, but this may not always be the case, particularly during periods of extreme market volatility.

- Most ETFs are designed to track a specified market index; however, in some cases an ETF's return may deviate from the specified index. Certain ETFs are actively managed ETFs and are subject to management risk. Furthermore, unlike open-end funds, investors are generally not able to purchase ETF shares directly from the fund sponsor nor redeem ETF shares with the fund sponsor. Rather, only specified large blocks of ETF shares called "creation units" can be purchased from, or redeemed with, the fund.
- Information on a specific ETF risk and its policies regarding the above topics can be found in its prospectus and Statement of Additional Information. Clients are encouraged to review the prospectus before investing.

Concentration Risk

If the Index concentrates in an industry or group of industries the Fund's investments will be concentrated accordingly. In such event, the value of the Fund's Shares may rise and fall more than the value of shares of a fund that invests in securities of companies in a broader range of industries. Any fund that concentrates in a particular industry will generally be more volatile than a fund that invests more broadly.

Energy Sector Risk

The profitability of companies in the energy sector is related to worldwide energy prices, exploration, and production spending. Such companies also are subject to risks of changes in exchange rates, government regulation, world events, depletion of resources and economic conditions, as well as market, economic and political risks of the countries where energy companies are located or do business. Oil and gas exploration and production can be significantly affected by natural disasters. Oil exploration and production companies may be adversely affected by changes in exchange rates, interest rates, government regulation, world events, and economic conditions. Oil exploration and production companies may be at risk for environmental damage claims.

Fixed Income Strategies

Fixed Income Strategy Definition

Fixed income strategies invest primarily in debt securities (bonds) by either directly investing in the bond issuer or through the use of mutual funds and ETFs. Debt securities can vary based on issuer (e.g., corporations, governments and municipalities), coupon (interest rate) and maturity. Managers employing fixed income strategies typically do so to provide reliable income while analyzing the trade-off between the price and yield of the debt instrument, the issuer's credit quality, inflation expectations, and interest rate movements. Fixed income investments are typically considered to be less risky than equity investments as they historically have a lower standard deviation but have also typically provided lower returns.

Fixed Income

Tactical BCM Market-Linked CDs ($2K)
BCM Structured Notes ($2K)
Strategic BCM Municipal Bonds Model ($5K)
BlackRock Strategic ETF Models ($10K)
Individually Customized Fixed Income Mutual Fund/ETF Portfolios
RAISE 360° Portfolios ($25K)
RAISE 360° Small Models ($5K)

Fixed Income Strategy Risk

The primary risk of investing in fixed income securities is that they may decline in value for a variety of reasons, including a broad market downturn, a rising interest rate environment, unfavorable developments affecting an entire industry, and specific events affecting a single company. The following is a partial list of the risks associated with investing in various types of fixed income securities:

- All bonds are subject to various risks including higher interest rates as fixed income securities typically decline in value as interest rates rise, economic recession, possible rating downgrades by one or more rating agencies, and possible defaults of interest and/or principal payments by the issuer.

- Future proceeds from investments may have to be reinvested at a potentially lower rate of return (i.e., interest rate risk). This primarily relates to fixed income securities.
- High-yield or "junk" bonds are rated below investment-grade, are subject to a higher risk of rating downgrade and issuer default than investment-grade bonds and are more affected by an economic recession. The prices of high-yield bonds tend to fluctuate more than those of investment grade bonds.
- Fixed income securities issued by foreign issuers are subject to additional risks including foreign currency fluctuations, foreign political risks, foreign tax withholding, possible lack of adequate financial information and possible exchange control restrictions. Additionally, these risks may be more pronounced in emerging markets where the securities markets are substantially smaller, less liquid, less regulated, and more volatile than developed foreign markets.
- Municipal bonds are issued by states, counties or other municipal authorities and are subject to additional risks, including deterioration in the financial condition of the municipal issuer and potential changes in tax laws affecting the tax-free status of municipal bonds.
- Mortgage-backed securities may be more sensitive to changes in interest rates than traditional fixed income securities as rising rates tend to extend the duration of such securities. In addition, mortgage-backed securities are subject to prepayment risk, since borrowers may pay off their mortgages sooner than anticipated, particularly during a period of declining interest rates. Subprime mortgage-backed securities

are subject to a higher risk of rating downgrade or defaults than higher rated mortgage-backed securities.

- Senior loan securities are high-yield, floating rate corporate debt securities which are senior in a company's capital structure to unsecured debt securities. Like all high-yield securities, such securities carry a heightened risk of a rating downgrade or issuer default than investment grade securities.

Structured Notes Risk

A purchaser should evaluate and understand all of the risks and costs of an investment in Structured Notes (SNs) prior to making any investment decision. A purchase of an SN entails other risks not associated with an investment in conventional bank deposits. A purchaser may not have a right to withdraw his/her investment prior to maturity or could incur substantial penalties for an early withdrawal, if permitted. A purchaser should carefully read the disclosure statement and any other disclosure documents for a SN before investing.

An investment in SNs is not FDIC insured and is subject to credit risk. The actual or perceived creditworthiness of the note issuer may affect the market value of SNs. SNs will not be listed on any securities exchange. Even if there is a secondary market, it may not provide enough liquidity to allow purchasers to trade or sell SNs. As a holder of SNs, purchasers will not have voting rights or rights to receive cash dividends or other distributions or other rights in the underlying assets or components of the underlying assets. Certain built-in costs are likely to adversely affect the value of SNs prior to maturity. The price, if any, at which the notes can be purchased in secondary market transactions, if at all, will likely be lower than the original issue price and any sale prior to the maturity date could result in a substantial loss. SNs are not designed to be short-term trading instruments. Purchasers should be willing to hold any notes to maturity. The tax consequences of SNs may be uncertain. Purchasers should consult their tax advisor regarding the U.S. federal income tax consequences of an investment in SNs. If a SN is callable at the option of the issuer and the SN is called, the holder will receive only the applicable redemption amount and will not receive any coupon payments that would have been payable for the remainder of the term of the SN. SNs are Not FDIC Insured, May Lose Principal Value and are Not Bank Guaranteed.

Multi-Asset Strategies

Multi-Asset Strategies Definition

Multi-Asset strategies invest in a blend of asset classes such as equities, fixed income and commodities, and do so by investing directly in the underlying security or through the use of mutual funds and ETFs. Managers employing these strategies typically analyze securities based upon their historical and anticipated correlation to one another. Some strategies have a relatively fixed asset allocation with a blend of low-correlated securities while other strategies employ an asset allocation with a blend of securities that may exhibit higher correlations that may change based on the rules of such strategy.

Multi-Asset Strategy Risk

As the Multi-Asset Strategies can utilize an array of investment vehicles, the above risks described for equity and fixed income strategies will be present if those vehicles are used. Other vehicles possibly used within these strategies also have risks associated with them. For example, the performance of commodity-linked investments, including derivatives, may depend on the performance of the overall commodities markets and on other factors that affect the value of commodities, including weather, political, tax, and other regulatory and market developments. Commodity-linked notes may be leveraged. Commodity-linked investments may be hybrid instruments that can have substantial risk of loss with respect to both principal and interest. Commodity-linked investments may be more volatile and less liquid than the underlying commodity, instruments, or measures and are subject to the credit risks associated with the issuer, and their values may decline substantially if the issuer’s creditworthiness deteriorates. As a result, returns of commodity-linked investments may deviate significantly from the return of the underlying commodity, instruments, or measures. Legal and regulatory changes also can affect the value of these investments.

Volatility Strategies

Volatility Strategies Definition

Volatility strategies seek to provide appreciation through the use of derivative securities (options), whose prices are based primarily on the volatility expectations of the underlying investments. Managers employing volatility strategies typically buy and sell one or more options contracts (i.e., puts and calls) based on a mathematical approach that attempts to quantify the return and risk of the investment up front. These strategies typically attempt to provide steady growth regardless of the conditions of the market in which they invest (bull, bear or flat market). Options strategies are considered to be complex financial instruments and may involve significant risk.

Volatility Strategies Risk

Options may be used to create implied leverage in a portfolio – meaning the account controls more shares than it could otherwise purchase with the same amount of capital. Markets can move suddenly, swiftly, and without notice; these movements can be severe in size and longevity. In a sharp downward moving market, the loss in a strategy utilizing options may accelerate quickly because of the implied leverage - it depends on the conditions of the trade cycle. Strategies utilizing options may only be suitable for an investor who understands the risks and has the financial capacity and willingness to incur potentially substantial losses. The value of derivatives, including options, futures and options on futures also may be adversely affected if the market for derivatives is reduced or becomes illiquid. No assurance can be given that a liquid market will exist when BCM seeks to close out a position. Reasons for the absence of a liquid secondary market on an exchange include the following: (i) there may be insufficient trading interest in certain derivatives; (ii) restrictions may be imposed by an exchange on opening transactions or closing transactions or both; (iii) trading halts, suspensions or other restrictions may be imposed with respect to particular classes or series of derivatives; (iv) unusual or unforeseen circumstances may interrupt normal operations on an exchange; (v) the facilities of an exchange or the Options Clearing Corporation may not at all times be adequate to handle the then-current trading volume; or (vi) one or more exchanges could, for economic or other reasons, decide or be compelled at some future date to discontinue the trading of derivatives (or a particular class or series of derivatives). If trading were discontinued, the secondary market on that exchange (or in that class or series of derivatives) would cease to exist. However, outstanding options on that exchange that had been issued by the Options Clearing Corporation as a result of trades on that exchange would continue to be exercisable in accordance with their terms. Investing in derivative instruments also includes interest rate, market, credit and management risks, and the risk of mispricing or improper valuations. Changes in the value of the derivative may not correlate perfectly with the underlying asset, rate or index, and the investment could lose more than the principal amount invested.

Cryptocurrency Risk

Digital currency is a digital representation of value that functions as a medium of exchange, a unit of account, or a store of value, but it does not have legal tender status. Digital currency is not backed nor supported by any government or central bank. Digital currency's price is completely derived by market forces of supply and demand, and it is more volatile than traditional currencies and financial assets.

Investing in digital currency comes with significant risk of loss that a client should be prepared to bear, including, but not limited to, volatile market price swings or flash crashes, market manipulation, economic, regulatory, technical, and cybersecurity risks. In addition, digital currency markets and exchanges are not regulated with the same controls or customer protections available in equity, option, futures, or foreign exchange investing.

- Volatility Risk: Digital currency is a speculative and volatile investment asset. Investors should be prepared for volatile market swings and prolonged bear markets. Digital currency can have higher volatility than other traditional investors such as stocks and bonds and market movements can be difficult to predict.
- Economic Risk: The economic risk associated with digital currency is in the lack of widespread or continuing digital currency adoption. The market and investors could decide that digital currency should not be valued at the current market capitalization due to a variety of factors.
- Regulatory Risk: Digital currency could be banned or highly regulated by governments that would deter investors from buying or holding digital currency.
- Technical Risk: Digital currency is a dynamic network with a codebase that is updated to add new security and functionality features. The updated code that is merged by the core developers could potentially have an error that threatens the security or functionality of the digital currency network.
- Cybersecurity Risk: Digital currency exchanges and wallets have been hacked and digital currency has

been stolen in the past. This is a potential risk that clients must be comfortable with when investing and holding digital currency. Theft is less likely when holding digital currency at a qualified custodian in offline systems (cold storage) with institutional security and controls.

- Limited Operating History: Brookstone has a limited operating history in the digital currency space upon which prospective clients can evaluate its performance. There can be no assurance that Brookstone's assessment of the prospects of investments in digital assets will prove accurate or that a client will achieve its investment objective.

Custom Individual Portfolios

Advisors may construct custom portfolios for clients using mutual funds, exchange traded funds, equities, fixed income securities and other securities authorized by BCM on a discretionary basis pursuant to investment objectives chosen by the client. Clients should refer to the individual mutual fund or ETF prospectus for the risks associated with each specific fund.

Alternative Investment Risk

An alternative investment is an asset that is not one of the conventional investment types, such as stocks, bonds and cash. Alternative investments include private equity, hedge funds, managed futures, real estate, commodities and derivatives contracts. Most alternative assets have low liquidity compared to conventional assets. Alternative investments have experienced periods of extreme volatility and in general, are not suitable for all investors.

ADDITIONAL RISK STATEMENT

The foregoing list of risk factors does not purport to be a complete enumeration or explanation of the risks involved in an investment strategy. Prospective and existing clients are encouraged to consult their own financial, legal and tax professionals in connection with the selection of and investment in a particular strategy or product. In addition, due to the dynamic nature of investments and markets, strategies may be subject to additional and different risk factors not discussed herein.

Investing in securities involves a significant risk of loss. BCM's investment recommendations are subject to various market, inflation, currency, economic, political and business risks, and such investment decisions may not always be profitable. Clients should be aware that there may be a loss or depreciation to the value of the client's account, which clients should be prepared to bear. There can be no assurance that the client's investment objectives will be obtained and no inference to the contrary should be made. Prior to entering into an agreement with BCM, a client should carefully consider: (1) committing to management only those assets that the client believes will not be needed for current purposes and that can be invested on a long-term basis, (2) that volatility from investing in the stock market can occur, and (3) that over time the client's assets may fluctuate and at any time be worth more or less than the amount invested.

BCM does not represent, guarantee or imply that the services or methods of analysis employed by the firm can or will predict future results, successfully identify market tops or bottoms, or insulate clients from losses due to market corrections or declines.

VOTING CLIENT SECURITIES

BCM will not vote proxies on behalf of our advisory accounts. At your request, we may offer you advice regarding corporate actions and the exercise of your proxy voting rights. If you own shares of applicable securities, you are responsible for exercising your right to vote as a shareholder. In most cases, you will receive proxy materials directly from the account custodian.

However, in the event we were to receive any written or electronic proxy materials, we would forward them directly to you by mail, unless you have authorized our firm to contact you by electronic mail, in which case, we would forward any electronic solicitation to vote proxies.

For accounts subject to the provisions of the Employee Retirement Income Security Act of 1974 (ERISA), the plan fiduciary specifically keeps the authority and responsibility for the voting of any proxies for securities held in plan accounts. Also, BCM cannot give any advice or take action with respect to the voting of these proxies.

PERFORMANCE BASED FEES AND SIDE-BY-SIDE MANAGEMENT

BCM does not charge performance-based fees (i.e., fees calculated based on a share of capital gains upon or capital appreciation of the funds or any portion of the funds of an advisory client). Consequently, BCM does not engage in side-by-side management of accounts that are charged a performance-based fee with accounts that are charged another type of fee (such as assets under management).

ITEM 8 - CLIENT INFORMATION PROVIDED TO PORTFOLIO MANAGERS

Your financial history, and related background information, such as social security number, account numbers, account holdings, personal and family background, work history, tax status, and numerous other items necessary for us to provide you with suitable investment advice and establish any investment account, are gathered by your IAR at the inception of the relationship, and is updated on a regular basis thereafter.

You are responsible for ensuring that we have accurate, current information about your financial condition, your holdings and other investments, your investment objectives and goals and all other information which has a bearing on your investments and participation in this investment program. Your IAR or Outside RIA will receive a copy of all information which you supply us. Your IAR or Outside RIA will receive notice of any change to any item of your account information when you inform BCM of such change.

Due to the nature of the services being offered under this program and our desire to provide you the best service, we must stress the importance of your providing us with accurate and current financial information. If at any time any of your information changes, please notify your IAR or Outside RIA immediately.

ITEM 9 - CLIENT CONTACT WITH PORTFOLIO MANAGER

Your Portfolio Manager is your IAR or Outside RIA. You may contact your IAR or Outside RIA at any time. In fact, we encourage you to work closely with your IAR or Outside RIA and to contact him/her with any questions or items of particular concern or interest to you. In addition, as noted above, you must notify your IAR or Outside RIA of any changes to your background or account information.

ITEM 10 - ADDITIONAL INFORMATION

BCM participates in the institutional advisor program (the Program) offered by TD Ameritrade Institutional. TD Ameritrade Institutional is a division of TD Ameritrade Inc., member FINRA/SIPC (TD Ameritrade), an unaffiliated SEC-registered broker/dealer and FINRA member. TD Ameritrade offers to independent investment advisors services which include custody of securities, trade execution, clearance and settlement of transactions. Advisor receives some benefits from TD Ameritrade through its participation in the Program.

BCM participates in TD Ameritrade's Institutional customer program as stated above. There is no direct link between BCM's participation in the program and the investment advice it gives to its clients, although BCM receives economic benefits through its participation in the program that are typically not available to TD Ameritrade retail investors. These benefits include the following products and services (provided without cost or at a discount): duplicate client statements and confirmations; research related products and consulting services; access to a trading desk serving advisor participants; access to block trading (which provides the ability to aggregate securities transactions for execution and then allocate the appropriate shares to client accounts); the ability to have advisory fees deducted directly from client accounts; access to an electronic communications network for client order entry and account information; access to mutual funds with no transaction fees and to certain Institutional money managers; and discounts on compliance, marketing, research, technology, and practice management products or services provided to BCM by third party vendors. TD Ameritrade may also have paid for business consulting and professional services received by BCM's related persons, and may also pay or reimburse expenses (including travel, lodging, meals and entertainment expenses) for BCM's personnel to attend conferences or meetings relating to the program or to TD Ameritrade's advisor custody and brokerage services generally. Some of the products and services made available by TD Ameritrade through the program may benefit BCM but may not benefit its client accounts. These products or services may assist BCM in managing and administering client accounts, including accounts not maintained at TD Ameritrade. Other services made available by TD Ameritrade are intended to help BCM manage and further develop its business enterprise. The benefits received by BCM (or its personnel) through participation in the program do not depend on the amount of brokerage transactions directed to TD Ameritrade. Clients should be aware, however, that the receipt of economic benefits by BCM or its related persons in and of itself creates a potential conflict of interest and may indirectly influence BCM's choice of TD Ameritrade for custody and brokerage services.

BCM also receives from TD Ameritrade certain additional economic benefits ("Additional Services") that may or may not be offered to any other independent investment advisors participating in the program. TD Ameritrade provides the Additional Services to BCM in its sole discretion and at its own expense, and BCM does not pay any fees to TD Ameritrade for the Additional Services. BCM and TD Ameritrade have entered into a separate agreement (Additional Services Addendum) to govern the terms of the provision of the Additional Services.

BCM's receipt of Additional Services raises potential conflicts of interest. In providing Additional Services to BCM, TD Ameritrade most likely considers the amount and profitability to TD Ameritrade of the assets in, and trades placed for, BCM's client accounts maintained with TD Ameritrade. TD Ameritrade has the right to terminate the Additional Services Addendum with BCM, in its sole discretion, provided certain conditions are met. Consequently, in order to continue to obtain the Additional Services from TD Ameritrade, BCM may have an incentive to recommend to its clients that the assets under management by BCM be held in custody with TD Ameritrade and to place transactions for client accounts with TD Ameritrade. In addition, BCM shares the Additional Services with its affiliated entities. Consequently, BCM's clients' brokerage commissions and custodial fees generated at TD Ameritrade may be used to benefit BCM's affiliates. BCM's receipt of Additional Services does not diminish its duty to act in the best interests of its clients, including seeking best execution of trades for client accounts.

ORDER AGGREGATION AND ALLOCATION

BCM may combine orders into block trades when more than one account is participating in the trade. This blocking or bunching technique must be equitable and potentially advantageous for each such account (i.e., for the purposes of reducing brokerage commissions or obtaining a more favorable execution price). Block trading is performed when it is consistent with the duty to seek best execution and is consistent with the terms of BCM's investment advisory agreements. Equity trades are blocked based upon fairness to client, both in the participation of their account, and in the allocation of orders for the accounts of more than one client. Allocations of all orders are performed in a timely and efficient manner. All managed accounts participating in a block execution receive the same execution price (average share price) for the securities purchased or sold in a trading day. Any portion of an order that remains unfilled at the end of a given day will be rewritten on the following day as a new order with a new daily average price to be determined at the end of the following day. Due to the low liquidity of certain securities, broker availability may be limited. Open orders are worked until they are completely filled, which may span the course of several days. If an order is filled in its entirety, securities purchased in the aggregated transaction will be allocated among the accounts participating in the trade in accordance with the allocation statement. If an order is partially filled, the securities will be allocated pro rata based on the allocation statement. BCM may allocate trades in a different manner than indicated on the allocation statement (non-pro rata) only if all managed accounts receive fair and equitable treatment.

DISCIPLINARY INFORMATION

Firms are required to report any legal or disciplinary events that are material to a client's evaluation of our advisory business and the integrity of our management. There are no required disclosures in relation to BCM and its management team.

Disclosure information specific to your IAR or Outside RIA can be found on their supplemental ADV 2B and is available at www.adviserinfo.sec.gov.

OTHER FINANCIAL INDUSTRY ACTIVITIES AND AFFILIATIONS

IARs may also be agents/Registered Representatives of a non- affiliated firm such as a broker/dealer or insurance agency, engaging in the business of selling life, health, long-term care, disability and annuity insurance products as well as securities. As registered representatives, associates may receive separate compensation in the form of commissions for the purchase of securities through their affiliated broker/dealer as well as for the sale of insurance products.

To the extent that the IAR recommends the purchase of securities, insurance or other investment products whereby the IAR receives commissions for doing so, a conflict of interest exists because the IAR receives compensation should BCM's clients elect to follow this recommendation, even if such a recommendation is based on the best interest of the client. BCM has adopted certain procedures designed to mitigate the effects of these conflicts. For example, as part of BCM's fiduciary duty to clients, the IAR will endeavor at all times to put the interests of the clients first, and recommendations will only be made to the extent that they are reasonably believed to be suitable and in the best interests of the client. Additionally, material conflicts presented by these practices are disclosed to clients at the time of entering into any new advisory or consultative arrangement.

BCM is owned by AL BCM LLC (AL BCM), which is majority owned by Dean Zayed (CEO of BCM) through Zayed RIA and AL Marketing, LLC, a sub-division of AmeriLife Holdings, LLC (AmeriLife). AmeriLife is a Florida domiciled insurance company that markets and distributes annuity, life and health insurance products and is a portfolio company of Thomas H. Lee Partners, LP, a private equity firm. Using AmeriLife is optional for advisors and BCM is not involved in those insurance sales. BCM advisors may receive commission-based compensation for the sale of insurance and annuity products.

AL BCM also owns FormulaFolios Investments, LLC (FFI), an SEC registered investment advisor located in Grand Rapids, MI and Brookstone Wealth Advisors, LLC (BWA also known as Retirement Wealth Advisors or RWA), an SEC registered investment advisor. The firms under AL BCM's common ownership and control share corporate resources including management, administrative operations, and operational personnel. In addition, IARs of BWA will offer the BCM Platform to the clients of BWA; thus, a conflict of interest exists as the firms are under common ownership and have a financial incentive to recommend the services of each other.

Certain models available within the BCM Platform contain funds managed by FFI, thus a conflict of interest exists as BCM, BWA and FFI are under common ownership and control and have a financial interest to recommend models that contain funds managed by FFI.

A portion of BCM's business is providing back-office and administrative support services to both affiliated and unaffiliated RIAs as part of its TAMP, the BCM Platform.

BCM is affiliated, through common ownership, with insurance marketing organizations (IMOs) Brookstone Insurance Group and other AmeriLife owned IMOs including JD Mellberg Financial. Some BCM advisors may use Brookstone Insurance Group or other IMOs, including JD Mellberg Financial, to process insurance, including life, fixed annuities or fixed index annuities. Using any IMO including Brookstone Insurance Group and/or JD Mellberg Financial is optional for advisors and BCM is not involved in those insurance sales. BCM advisors may receive commission based compensation for the sale of insurance and annuity products.
Mr. Zayed is a principal and owner of Prizm Financial Advisors, Inc. (PFA). PFA is the corporation name of the entity that Mr. Zayed uses for his personal clients including financial planning, investments, insurance and tax planning.

Additionally, Mr. Zayed is a shareholder in the law firm of Perkins & Zayed, PC. As mentioned in the Form ADV Part 2A, BCM recommends the services of Perkins & Zayed, PC for implementation of estate planning recommendations made by BCM. This arrangement is disclosed by BCM as part of the client's agreement and by delivery of this Wrap Brochure. Should a client elect to utilize Perkins & Zayed, PC for estate planning services, the client will be required to enter into a separate written agreement for such services and pay applicable legal fees. Clients should be aware that any applicable legal fees will be in addition to and separate from the financial planning fees incurred for services as outlined in the Financial Planning Agreement. Mr. Zayed will also receive individual compensation in the form of profits due to his role as a shareholder in Perkins & Zayed, PC. This could create a conflict of interest in that Mr. Zayed, through BCM, may have a financial incentive to recommend Perkins & Zayed, PC for estate planning services. The Client has the sole responsibility for determining whether to implement any such recommendations made by BCM, and which outside counsel to use for such services.

BCM currently has a partnership with Axos Bank which offers only FDIC insured products. If an IAR of BCM refers a client to Axos Bank for banking services, he or she will earn a fee for such referral.

These outside activities and affiliations create an additional conflict of interest in that BCM's CEO and IARs' obligations to these outside interests may either conflict with the advisement provided by BCM or take up a substantial amount of their time and therefore the time spent on providing the advisory services described herein may be limited by virtue of their obligations to these outside interests. Although BCM's CEO and IARs will devote as much time to the business and affairs of BCM as is reasonably necessary to deliver the advisory services described herein, they may devote a significant portion of their time to the affairs of these other activities and affiliations.

BCM has adopted policies and procedures to address the conflicts presented by these relationships. For example, as part of the firm's fiduciary duty to its clients, BCM and its IARs will endeavor at all times to put the interest of its investment advisory clients first. Additionally, the conflicts presented by this practice are disclosed to clients at the time of entering into an advisory agreement. Please refer to the sections of this Wrap Brochure titled Code of Ethics and Participation or Interest in Client Transactions and Personal Trading (both in this Item 10) for additional information.

CODE OF ETHICS

In accordance with SEC Rule 204a-1 of the Investment Advisers Act of 1940, BCM maintains and enforces a Code of Ethics. The Code requires employee, including IAR, reporting of all securities holdings and transactions may require prior pre-clearance from the firm's Chief Compliance Officer for certain securities transactions. The Code contains requirements regarding compliance with all Laws, Rules and Regulations, and it contains provisions for reporting violations of the Code to BCM's Chief Compliance Officer. All BCM IARs are expected to be honest and ethical, make full and accurate disclosures, remain in compliance with all applicable rules and regulations, and be accountable for what they do.

BCM and its IARs act as fiduciaries for their clients. They have a fundamental obligation to act in the best interest of their clients and to provide investment advice in the clients' best interest. They owe their clients a duty of undivided loyalty and utmost good faith. While BCM strives to not engage in activities that create a conflict of interest with our clients, if a conflict of interest does arise, we will disclose that conflict to the client. Reasonable care is employed BCM and Advisors to avoid misleading clients, and full and fair disclosure of all material facts (including fees) are made to our clients and prospective clients. Generally, facts are "material" if a reasonable investor would consider them to be important. They must eliminate, or at least disclose, all conflicts of interest that might incline them – consciously or unconsciously – to render advice that is not disinterested. If they do not avoid a conflict of interest that could impact the impartiality of their advice, they must make full and fair disclosure of the conflict. BCM and its IARs cannot use their clients' assets for their own benefit or the benefit of other clients. Departure from this fiduciary standard may constitute "fraud" upon their clients under the Investment Advisers Act.

To review a copy of BCM's Code of Ethics, please make a written request to your IAR, contact BCM at 630-923-6850, or email compliance@ brookstonecm.com.

ANNUITY RECOMMENDATIONS

Most BCM investment advisor representatives also provide insurance or annuities to their clients when appropriate. Insurance, including fixed index annuities, are not offered through BCM but are sold by insurance licensed agents using various insurance companies. The issuing insurance companies are not affiliated with BCM. However, sometimes the fixed insurance product could be used as a replacement or alternative to the BCM fixed income portion of a portfolio. However, annuity products present their own differences from traditional fixed income securities, such as bonds, including, but not limited to liquidity, tax implications, and underlying fees. Unlike bonds, there is no secondary market for annuity products. Annuities also may be subject to caps, restrictions, fees and surrender charges as described in the annuity contract. Any annuity guarantees are backed by the financial strength and claims paying ability of issuer. BCM does not charge management fees on commission based fixed index annuities. However, if the IAR/insurance agent implements an insurance transaction, the agent will receive a sales commission from the recommendation of an insurance product, like a fixed index annuity. This could present a conflict of interest since the IAR/insurance agent is incentivized and earns insurance commission(s) for implementing insurance product recommendations. This conflict is mitigated by the IAR/insurance agent always acting in the best interest of the client and providing full and frank disclosure to the client when such a conflict exists.

If a BCM IAR is licensed as an insurance agent and makes a recommendation for transacting in a fixed annuity and/or life insurance product, this gives rise to conflicts of interest due to the fact that such BCM IAR is receiving remuneration in the form of commission and in some cases, other compensation (such as a percentage of an organizations' profits for selling fixed annuities and/or life insurance) which incentives such IAR to sell that product. BCM IARs mitigate this conflict by making recommendations that are in the client's best interest and are suitable for them based on their investment objectives and needs outlined in the client's investment policy statement.

PARTICIPATION OR INTEREST IN CLIENT TRANSACTIONS AND PERSONAL TRADING

BCM and/ or its IARs may at any time own or invest in the same securities as it recommends to clients. All employees and IARs of BCM are required to submit to the BCM Compliance Department duplicate copies of all trades and account statements for review. BCM does not allow any IAR or employee to trade ahead of their clients. For individual securities such as stocks and bonds, any IARs or employees invested in the same models as clients are block traded where an average price is used.

REVIEW OF ACCOUNTS

BCM IARs periodically review their designated client accounts on a regular basis and no less than annually. Client accounts are reviewed for appropriateness in light of each client's investment objectives, risk tolerance and financial goals. BCM's CEO, Mr. Zayed, is responsible for the general oversight of all supervised persons, and has ultimate authority over portfolio management, fundamentals, model portfolio constituents, asset allocation and areas of potential concern.

In addition to periodic reviews, reviews may be triggered when BCM becomes aware of a change in a client's investment objective, a change in market conditions, change of employment, re-balancing of assets to maintain proper asset allocation and any other activity that is discovered as the account is reviewed. The client is encouraged to notify BCM, their IAR, or Outside RIA if changes occur in his/her personal financial situation that might adversely affect his/her investment plan.

The client will receive written statements no less than quarterly from the custodian. In addition, the client may receive other supporting reports from Mutual Funds, Asset Managers, Trust Companies or Custodians, Insurance Companies, Broker/Dealers and others who are involved with client accounts, BCM has the ability to prepare written quarterly reports reflecting current positions and valuations which may be provided to all clients for managed accounts. Third party custodians also provide monthly statements. Financial planning clients receive a written copy of their financial plan with all supporting analyses.

CLIENT REFERRALS AND OTHER COMPENSATION

BCM has entered into Selling Agreements and Solicitor's Agreements wherein certain individuals are appointed to serve as a non-exclusive marketing agent, referral, and client servicing source for BCM's managed account Platform (each a "Solicitor" and collectively the "Solicitors"). Through its relationship with the Solicitors, the individuals and organizations can receive payments for referral of certain clients. In the instance where BCM receives a client referral from a Solicitor (i.e., the Solicitor was the procuring cause), BCM will pay a cash referral fee to the Solicitor based upon a percentage of our advisory fee received from that particular client and based on the client's assets under management. In the instance where BCM refers a client to another advisor, BCM will receive a cash referral fee from the advisor for its referral of a BCM client. Under these circumstances, BCM will enter into a Solicitor's Agreement with the other advisor. All such agreements will be in writing and comply with the applicable state and federal regulations. While the specific terms of each agreement may differ, generally, the compensation will be based upon a varying percentage of the assets under management by the client, or a fixed amount, which shall be paid by the advisor until the account is closed by written authorization from the client. Any such fee shall not result in any additional charge to the client.

Each prospective client who is referred under such an arrangement will receive a copy of applicable advisor's Form ADV Part 2A and a separate written disclosure document disclosing the nature of the relationship between the solicitor and the advisor and the amount of compensation that will be paid to the third party solicitor, which must be acknowledged in writing by the solicited client.

FINANCIAL INFORMATION

BCM does not require prepayment of more than $1,200 in fees per client six months or more in advance – as such, a Balance Sheet is not required and not attached. There is also no known financial condition that is reasonably likely to impair this firm's ability to meet contractual commitments to clients, and the firm has not been the subject of a bankruptcy proceeding.

ITEM 11 - STATE REQUIREMENTS

As Brookstone Capital Management is an SEC registered advisor and not a State registered advisor, this Item is not applicable.