FORM ADV PART 2A BROCHURE

March 28, 2024

FORM ADV PART 2A BROCHURE
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This brochure provides information about the qualifications and business practices of Whitestone Capital Management LLC (Whitestone Capital Management, Whitestone or WCM). If you have any questions about the contents of this brochure, please contact us at (812) 697-1537 or at compliance@whitestoneadvisor.com The information in this brochure has not been approved or verified by the United States Securities and Exchange Commission or by any state securities authority.

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

Whitestone Capital Management is a Registered Investment Advisor. Registration with the United States Securities and Exchange Commission or any state securities authority does not imply a certain level of skill or training.

ITEM 2 - MATERIAL CHANGES

This ADV Part 2A Brochure ("Brochure") has been reviewed by Garry E Collins, Whitestone Capital Management Chief Executive Officer and has been updated. We encourage you to review this carefully and to contact your investment adviser representative with any questions you may have. Pursuant to Rule 204-3(b)(2) of the Investment Advisers Act of 1940 (as amended), Whitestone Capital Management LLC ("WCM") can provide either a summary page of material changes and offer to provide this Brochure or a copy of the entire Brochure. Copies of the Brochure are available at any time by contacting either WCM at compliance@whitestoneadvisor.com or your Investment Adviser Representative.

There are no material changes to this Brochure from its most recent version dated March 15, 2023.

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ITEM 4 – ADVISORY BUSINESS

ABOUT US

Whitestone Capital Management LLC is a Registered Investment Advisor with the state of Indiana, and is principally owned by Garry E. and Jennifer L. Collins. WCM was incorporated as an LLC in May, 2021 and began serving clients in September, 2021.

INVESTMENT ADVISORY FIDUCIARY STANDARD

As investment advisors, Whitestone and its Investment Advisor Representatives (IARs) act as fiduciaries for all of our investment management clients. This means that we have an obligation to act in the best interests of our clients and to provide investment advice in the clients' best interest. If a conflict of interest does arise, full disclosure of that conflict will be made to the client. Reasonable care must be employed to avoid misleading clients and full and fair disclosure of all material facts (including fees) to clients and prospective clients will be made.

We fulfill our fiduciary obligations by collecting information about you and your investment goals so that our recommendations are customized to be in your best interests. We disclose all fees, and conflicts, in this brochure and in the client agreement (Investment Policy Statement Parts A and B) which are acknowledged by your signature.

SERVICES WE OFFER

Whitestone provides Asset Management using a wrap-fee program for its clients, each of which is more fully described below. Clients collaborate with their Investment Advisor Representatives (IAR) to determine which services to employ to best help clients reach their financial goals. Whitestone is paid a portion of the wrap fee for its services. More details on the wrap fee program are available in Item 5 – Fees and Compensation. WCM also offers Financial Planning Services, also described more fully below.

ASSET MANAGEMENT SERVICES

Whitestone's principal service is providing fee-based investment advisory services exclusively through its Wrap Fee program. Whitestone manages investment portfolios, on a discretionary basis, according to the client's objectives. Whitestone IARs obtain data from potential clients addressing financial objectives, needs, risk tolerance, investment horizons and other pertinent information. This information is gathered and reported on an Investment Policy Statement (IPS) and Risk Profile Questionnaire (RPQ) and is analyzed by Whitestone IARs. Once the analysis is completed, the IAR develops an investment strategy with the potential client that addresses specific investment styles and allocation of the client's assets. Whitestone may use a combination of equities, mutual funds, exchange traded funds, and individual bonds to accomplish these objectives. Whitestone may partner, at the client's request, 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.

Once the client's risk profile is established, the client has choices as to the type of assets and management of those assets. One asset management service available, The Technician Series of Model Portfolios, consists of model portfolio allocations created and continually monitored by Whitestone to align with specific risk profiles or levels of risk tolerance such as Conservative, Moderate, and Aggressive. As the title implies, these portfolios primarily utilize technical analysis based on price movement, market strength and standard deviation measurements to determine buy and sell signals, also known as entry and exit points. These portfolios may contain mutual funds, exchange traded funds, equities, and other securities authorized by Whitestone, and are managed on a discretionary basis by the Whitestone investment leadership. Each client choosing the Technician Series of Model Portfolios will be matched to the specific Model which reflects the client's own Risk Profile as measured by the client's responses on the Risk Profile Questionnaire.

In addition, clients may request assistance from Whitestone and their WCM Investment Advisor Representative in assembling a customized portfolio of securities. For example, a client may desire a Laddered Bond Portfolio, or an equities portfolio focusing on Sector Rotation. WCM will make every attempt to accommodate such requests, while applying its management discretion at a lower fee described in Section 5: Fees and Compensation Schedule 1 - Individually Customized Mutual Fund/ETF/Stock Portfolios. All clients should refer to the individual mutual fund or ETF prospectus for the risks associated with each specific fund.

FINANCIAL PLANNING SERVICES

Through its IARs, Whitestone also offers comprehensive financial planning services for individuals, families, and businesses. Our Financial Planning services include data gathering and analysis, along with creating a financial plan with specific recommendations and implementation advice tailored to client needs. Specific areas of advice include investment planning, insurance needs assessment and advice, retirement planning, cash flow management, debt consolidation, capital needs assessments, educational planning, estate planning, and business planning. Clients utilizing our financial planning services will receive a one-time written financial plan upon completion of the service.

WCM's investment consulting service is generally intended to provide limited investment advice to those individuals who do not wish to engage the Firm for comprehensive ongoing investment advisory services. Whitestone's financial planning and investment consulting services do not include investment implementation, nor do they include any ongoing investment supervision, monitoring, or reporting services after the one-time financial plan or analysis is completed. WCM shall not have custody or discretionary authority of any type during the planning process described in this agreement.

Should a client decide to implement any recommendations contained in their financial plan, the client may, but is under no obligation to, utilize Whitestone and one of its IARs to implement those recommendations. Financial planning clients who wish to engage Whitestone for portfolio management services will be required to enter into a separate written agreement with the firm for such services.

Additionally, as part of the financial plan, Whitestone may also make estate planning recommendations. Clients are made aware both as part of this Brochure, and the client's individual agreement, that Whitestone does not provide tax or legal advice, and that it is the client's sole responsibility to find independent advice and implementation in connection with such services.

IMPORTANT INFORMATION RELATING TO THE FIRM'S SERVICES

INFORMATION RECEIVED BY INDIVIDUAL CLIENTS

WCM will not assume any responsibility for the accuracy of the information provided by the client. WCM is not obligated to verify any information received from the client or from the client's other professionals (e.g., attorney, accountant, etc.) and is expressly authorized to rely on such information. Clients are encouraged to promptly notify WCM in writing of any material changes to the client's financial situation, investment objectives, time horizon, or risk tolerance. In the event a WCM client with Assets Under Management notifies WCM of changes in his/her/their financial circumstances, the firm will review such changes and recommend any necessary revisions to the client's portfolio.

ADVISORY SERVICES, AGREEMENTS AND DISCLOSURES

Prior to engaging WCM to provide Asset Management or Financial Planning services, the client will be required to enter into one or more written agreements with WCM setting forth the terms and conditions under which the firm shall render its services (collectively the "Agreement"). In accordance with applicable laws and regulations, WCM will provide this brochure, the ADV Part 2B brochure that is specific to the IAR, the Wrap-Fee Brochure, and both Investment Policy Statements A and B to each client or prospective client prior to or contemporaneously with the execution of the Agreement. The Investment Advisory Agreement between WCM and the client will continue in effect until terminated by either party pursuant to the terms of the Agreement. Upon termination, the client's current investment advisory fees will be charged on account(s) only until the day the funds are transferred to the client's new custodian and advisor of choice.

In the case of a Financial Planning client who terminates the Financial Planning Agreement before the plan is completed, Whitestone will refund any fees paid that are unused, and cancel the client's obligation for any future Financial Planning fees. An example of this would be if the client made a down payment on a Financial Planning Agreement and WCM spent two hours working on that plan before the notice of termination, the client would receive the down payment made, less the previously agreed upon hourly rate for the two hours of planning services. For more information, please see Item 5, Financial Planning Services Fees.

Neither WCM nor the client may assign any WCM Agreement to a third party without the prior consent of both the client and WCM. Transactions that do not result in a change of actual control or management of WCM shall not be considered an assignment. WCM will provide Asset Management services and may provide Financial Planning services but will not provide custodial services. At no time will WCM accept or maintain custody of a client's funds or securities.

RESTRICTIONS/GUIDELINES IMPOSED BY CLIENTS

The advisory services described in this item are tailored to each client; if any client requires any restrictions on any individual position, types of stocks or market segments, the client needs to inform their IAR or RIA (WCM) of the restrictions in writing. An example of this would be the following: A client wants WCM to actively manage his/her Individual Retirement Account and chooses a WCM Model Portfolio within the IRA. However, the client desires to keep a particular stock in that same account, wishing it to never be traded unless the client gives a specific instruction to that effect. WCM would certainly comply with the client's wishes, but WCM needs to be notified of this desire.
If, for any reason, WCM is not able to meet the client restrictions, the firm will notify the client of that fact.

ASSETS UNDER MANAGEMENT

As of March 28, 2024 WCM has $12.955 million discretionary assets under management and no non-discretionary assets under management.

ITEM 5 - FEES AND COMPENSATION

Whitestone's standard advisory fee of 1.40% to 1.95% of assets managed per annum is split between the investment advisor representative (who receives 1.00% annually) and WCM who receives the remainder ((0.40% to 0.95% annually depending on the program or strategy selected and the size of the client's combined accounts as described in the Fee Schedules below). Any Sub-Advisor's fee, if applicable, will be subtracted from the WCM portion of the fee.

DESCRIPTION OF FEES AND FEE SCHEDULE

Currently, WCM offers its asset management program exclusively as a wrap fee program. As a result, WCM never charges commissions or loads on any client position including mutual funds.

A wrap fee program is a program where WCM "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. This is because no transaction costs or fees are charged to the client in the wrap fee program. 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. The overall cost a client incurs in a wrap fee program may be higher or lower than might be incurred by participating in a non-wrap program and paying transaction costs separately.

The wrap fee program is available for all WCM managed models and portfolios designated by the client and his/her IAR. As such, client accounts under WCM do not have a choice between a wrap fee and a non-wrap fee account, and all client accounts will be charged on a wrap fee basis, as outlined below. Pursuant to the Agreement signed by each client, the client will pay WCM's Annual Advisory Fee through its Wrap Fee Program, payable monthly in arrears, after the completion of each month.

The wrap fee covers (1) an initial analysis and periodic re-evaluation of the client's investment objectives and needs, discretionary allocation among portfolio managers, (2) all advisory services, including fees of portfolio managers, (3) account statements, (4) execution, and (5) custody. . In contrast, a non-wrap fee would cover all the above, with the exception of execution costs, which would be billed to the client.

The IAR who recommends the WCM Platform to clients receives compensation for his/her services that may be more than what the IAR would receive if the client paid separately for investment advice, brokerage, and other services. The IAR may therefore have a financial incentive to recommend the WCM program over other programs and services offered by other firms. The fee, charged monthly, is deducted from the client's account(s) after each month is completed. In some cases, WCM may use one or more external portfolio managers, such as CMG or MarketGrader (see Fee Schedule 2 below). Any external advisor would receive a portion taken from the WCM advisory fee, thereby not incurring any additional cost to the client for the services of the additional management firm.

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 WCM, 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.

Clients may request to terminate their advisory contract with WCM, in whole or in part, by providing 30 days advance written notice.

WCM FEE SCHEDULE

Whitestone charges two rates for management services within the wrap fee program. Portfolios that fall under the lower Schedule 1 fee rate would reflect a client who desires greater input in the specific securities held within the account(s) either by company (such as a client who prefers Vanguard) or by individual preference. Whitestone will assist the client in those choices offering advice on historical performance, trends, and other metrics. Once chosen, WCM would actively manage the account(s) with discretion.. The higher rate (Schedule 2) involves WCM's (or a Sub-Advisory Firm's) choices of securities in portfolios which reflect current trends in the marketplace, and with potentially more "hands on" management of the client's assets primarily in an effort to minimize large drawdowns due to market volatility. This typically would include the potential for more frequent trading. Frequent trading does not result in higher costs or fees for the client in the WCM Wrap Fee program.

FEE SCHEDULE 1			
BlackRock Strategic ETF Models		Individually Customized Mutual Fund/ETF/Stock Portfolios	
Vanguard Passive ETF Models			
	Up to $500,000	$500,001 -$999,999	1,000,000 +
Total Annual Client Fee	1.50%	1.45%	1.40%

FEE SCHEDULE 2			
WCM The Technician Models			Canterbury Thermostat
CMG Opportunistic All-Asset ETF			Donoghue Power Dividend Strategies
Managed Model Portfolios			MarketGrader 100 Enhanced Index
Morningstar Dividend Select			Morningstar Hare Select
Morningstar Tortoise Select			Morningstar Wide Moat Select
	Up to $500,000	$500,001 -$999,999	1,000,000 +
Total Annual Client Fee	1.95%	1.85%	1.75%

SAMPLE FEE CALCULATION

Let's say the client has chosen to have his/her account(s) valued at $100,000 to be managed in WCM's "The Technician Select Series" Moderate Portfolio and has agreed to a total annual fee of 1.95%. After this fee is deducted from the client's account, it is broken down by WCM into two parts: 1.00% annually to be paid to the Investment Advisor Representative, and .95% annually to Whitestone Capital Management.

The fee will be calculated based on the value of the account on the last day of each month, prorated to the number of days the account is funded.

For a client who has had an account(s) with Whitestone for the whole month, the fee charged to the account will depend on the number of calendar days of each month, which will always be 28, 29, 30, or 31.

For a client who has recently joined WCM the first monthly fee charged will be less, depending on when the account was first funded. For example, if the client's funds were first received by The Charles Schwab Company on November 15th, the fee assessed to the account in early December will be based on the number of days remaining in the month of November after the arrival of the funds.

Here is the simplified formula used to calculate the fee on a monthly basis:

1. Ending balance = Period Ending Value
2. Period Ending Value X Annual Fee X Number of Days Multiplier = Monthly Fee

Example: Client's account value on November 30 is $100,000

The annual fee is 1.95%, which is expressed in the formula as a multiplier of .0195

November has 30 days, which is expressed by (30/365) which is a factor of .0821918

The calculation would be:

$100,000.00 X .0195 X .0821918 = $160.27 monthly fee charged to the account.
Of the $160.27, the IAR is compensated $82.19 and WCM is compensated $78.08

Continuing this example, after these fees are calculated and deducted (each month), Whitestone Capital Management LLC directly pays the Investment Advisor Representative his or her portion of the fee, as illustrated above, on a monthly basis. If the client is using a strategy that involves a Sub-Advisory firm, WCM will compensate that Sub-Advisor its share of the $78.08 collected from the client's account for WCM management services.

If the client household has $500,001 or more in all of his/her/their accounts combined, the WCM management fee is automatically calculated at the rate corresponding to the amount of assets being managed.(please see the Fee Schedules on the previous page). Clients should be aware that lower fees for comparable services may be available from other sources.

Clients may request to terminate their advisory contract with WCM at any time in potentially two ways: 1. Having the account(s) transferred to another custodian and/or Investment Advisory firm or IAR, or 2. Notifying WCM with a request to have the account liquidated with the proceeds directly sent, via check by mail or ACH deposit into a bank account. In the event of termination of WCM services, WCM reserves the right to charge a final Advisory Fee prorated to the day the account is closed to cover management services and expenses prior to releasing the funds.

Discounts on WCM's portion of the annual advisory fees, not generally available to our advisory clients, may be offered to officers and employees, family members and friends of associated members of our firm.

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 Financial Industry Regulatory Authority (FINRA) fee is assessed on client accounts for sell transactions for certain covered securities. This fee is not charged by WCM in its Wrap Fee program, but is accessed and collected by the custodian, Charles Schwab & Co. Inc., which is a FINRA member firm. 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 (one cent).

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

ADDITIONAL FEE INFORMATION AND DISCLOSURES

All fees paid to WCM 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 (other than sub advisors and portfolio managers used by WCM), 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 marketing related fees. Refer to the Mutual Fund or Variable Annuity prospectus for a complete description of fees and services. Certain ETFs pay advisory fees to their own 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.

Furthermore, clients may incur brokerage commissions and other execution costs charged by the custodian. Clients should further understand that all custodial fees and any other charges and fees incurred in connection with a client’s account will be paid out of the assets in the account. Please refer to the Brokerage Practices section of this Brochure for additional important information about the brokerage and transactional practices of WCM. Accordingly, the client should review both the fees charged by the product sponsor and the fees charged by WCM to fully understand the total fees to be paid.

TRADE ERRORS

It is WCM’s policy to correct all trading errors immediately upon notification of the error. Trading errors can take many forms, including but not limited to executing trades in the incorrect account, for an incorrect share amount or price, with an incorrect instruction, or in an incorrect security. In most instances, when an error is detected, the error will be moved into WCM’s Error Account for correction. If the error results in a gain, WCM may use the gain to offset trading losses, allow the client to keep the gain, or donate the gain to charity. If the error results in a loss, WCM will make the client whole by reversing or otherwise, as appropriate, fixing the error, or by crediting the account for any loss.

FINANCIAL PLANNING SERVICE FEES

As mentioned under Services We Offer, WCM also offers comprehensive financial planning services for individuals and families. WCM charges an hourly fee of up to $350 per hour, depending on the complexity of the financial situation being analyzed. This fee for financial planning services is billed in six-minute increments. In certain instances, or for those clients who desire it, WCM may charge a flat, fixed fee for financial planning services. Fixed fees can range from $200 to $5,000 and are based on the complexity of the work required. All financial planning fees are negotiable and are outlined in the Financial Planning Agreement signed by both the client and the IAR. WCM will estimate the time spent and thus, the total fees, and propose that amount prior to engagement. We ask the client to pay half of that amount by check upon signing the agreement. When the one-time written Financial Plan is delivered to the client, the client will be billed for the other half of the fee agreed upon initially. Whitestone cannot and will not bill more than the amount agreed upon, even if the complexity of the financial plan was greater than anticipated and extra hours of analysis and preparation were required. If the opposite is true, and it took less time to complete, WCM will adjust the final bill down to reflect the lower cost to the client based on lower number of hours devoted to the research and development of the plan. All Financial Planning Service fees may be payable by check.

In the event the client decides to terminate the agreement before the plan is completed, the client will be refunded all paid fees that have not been “earned” by WCM. For example, if WCM has already spent one hour working on the financial plan requested, and the client had agreed upon a fee of $350 per hour for services rendered, the client will be refunded all monies paid with the exception of $350 for the one hour of work already performed. The client must notify Whitestone Capital Management of the termination in writing.

There can be no assurance that WCM’s financial planning services or any products recommended by a financial plan are at the lowest available cost. Clients are advised that conflicts of interest exist if WCM recommends its own investment management services. Specifically, clients should be aware that a conflict exists between WCM’s interests and the interest of the client if the client implements the financial plan through the firm. This is because for WCM, if chosen by the client to render its advisory services, will receive additional payment from the client in the form of advisory fees and/or referral fees. This could act as an incentive to WCM to make certain recommendations in the financial plan or to advise the client to instruct WCM to implement the plan. Clients also should be aware that other advisory firms may charge lower fees for providing such services.

ANNUITY RECOMMENDATIONS

Whitestone Capital Management LLC makes no annuity recommendations nor engages in the sale and/or service of fixed, fixed index, single premium, or variable annuities.

Whitestone investment advisor representatives may recommend or provide insurance or annuities to clients outside of WCM's purview. These IARs are dually licensed for securities and insurance products. Additionally, the issuing insurance companies used by clients and their financial planners/advisors are not affiliated with Whitestone.

However, Whitestone, if aware of insurance products sold to a WCM client, can consider those products as part of the client's overall portfolio as a replacement or alternative to the 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.

Whitestone does not charge management fees of any type based on fixed or fixed index annuities. However, the Investment Advisor Representative, as part of his/her own financial planning firm, if also a licensed insurance agent, will receive commissions from an insurance company not affiliated with WCM from recommendations of any insurance product, including annuities and life insurance. This does present a conflict of interest. Full and frank disclosure will be made to clients if such conflict exists that could impact the impartiality of their advice.

If a WCM 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 because the WCM 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). This remuneration incentivizes the IAR to sell that product based upon the compensation received rather upon the client's best interest. As always, the client is under no obligation to invest in or purchase any investment or insurance product.

As a fiduciary, a WCM IAR is required to 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.

In the event Whitestone becomes aware of a conflict of interest that potentially would not be in line with the client's stated objectives made to the IAR, WCM will disclose this to the client and the IAR by letter. Whitestone reserves the right to terminate any Investment Advisor Representative for any reason, including suspicion that said advisor is not upholding his or her fiduciary duty to do what is in the best interest of the client.

ITEM 6 - PERFORMANCE-BASED FEES AND SIDE-BY-SIDE MANAGEMENT

WCM 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, WCM 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 a wrap fee program for assets under management).

ITEM 7 - TYPES OF CLIENTS

WCM generally provides investment advice to individuals, trusts, estates, and charitable organizations, corporations and other business entities. To compare the performance of each manager an account could vary depending on the program selected, but typically minimum account size requirements are between $5,000 and $25,000. WCM may, at its discretion, accept accounts below the minimum required amount. Prior to engaging WCM to provide any of the investment advisory services described in this 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 8 - METHODS OF ANALYSIS, INVESTMENT STRATEGIES AND RISK OF LOSS

Methods of analysis and investment strategies include fundamental, quantitative, qualitative, technical analysis, cyclical analysis, as well as tactical, strategic, 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. Technical indicators such as moving averages, trend lines, and relative strength measurements may be further used to identify entry and exit points. 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. Various fundamental data such as overall economic conditions, industry outlook, interest rates and political climate are also considered. The following addresses each of these types of analysis and strategies, their purpose and their potential risks. First, we’ll begin with the types of analysis:

FUNDAMENTAL ANALYSIS

Fundamental Analysis is an attempt to measure the intrinsic value of a security by looking at economic and financial factors (including the overall economy, industry conditions, and the financial condition and management of the company issuing the stock) to determine if the company is underpriced (indicating it may be a good time to buy) or overpriced (indicating it may be time to sell).

Fundamental analysis does not attempt to anticipate market movements. This presents a potential risk, as the price of a security can move up or down along with the overall market regardless of the economic and financial factors considered in evaluating the stock.

QUANTITATIVE ANALYSIS

Mathematical models are used in an attempt to obtain more accurate measurements of a company’s quantifiable data, such as the value of a share price or earnings per share. Based on those models, predictions are made about changes to the data. A risk in using quantitative analysis is that the models used may be based on assumptions that prove to be incorrect.

QUALITATIVE ANALYSIS

Non-quantifiable factors such as quality of management, labor relations, and strength of research and development are evaluated. These factors are not subject to measurement but are used to predict changes to share price . A risk in using qualitative analysis is that subjective judgment may prove to be incorrect.

TECHNICAL ANALYSIS

Technical analysis looks at past market movements and applies that analysis to the present in an attempt to recognize recurring patterns of investor behavior and potentially predict future price movement.

Technical analysis does not consider the underlying financial condition of a company in evaluating the performance of its stock. A primary risk of this type of analysis is history does not always repeat itself, and though technical analysis is largely mathematical in nature, price movement and patterns are still subject to human interpretation.

CYCLICAL ANALYSIS

In this type of technical analysis, movements of a particular stock are compared to the overall market in different cycles in an attempt to predict the price movement of a security. The risk in cyclical analysis is predictions of any type can always be proven to be incorrect.

INVESTMENT STRATEGIES AND RISK

All investment strategies involve risk. There is no assurance that a positive return will be obtained in any managed investment account program. Neither WCM IARs 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, WCM 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. WCM or the IAR may recommend, on occasion, redistributing investment allocations to diversify the portfolio in an effort to reduce risk and increase performance and 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 the client, or any risk deemed unacceptable for the client’s risk tolerance. Please see below for a list of available investment strategies available through WCM. 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 the strategy.

MANAGEMENT RISK

Management risk is the risk—financial, ethical, or otherwise—associated with ineffective, destructive, or underperforming management. Management risk can certainly be a factor for investors holding any stock in a company. Management risk can also refer to the risks associated with the management of any investment fund.

DEFINITIONS OF INVESTMENT STRATEGIES

TACTICAL APPROACH

Tactical strategies, including Whitestone's The Technician Series, 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 (ASSET ALLOCATION)

Strategic strategies typically set target or fixed asset allocations and then periodically rebalance the portfolio to maintain the original settings. Rebalancing a portfolio is necessary to bring 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

WCM's The Technician Series

MarketGrader 100 Enhanced Index

Equity: Strategic Strategies

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)

Vanguard CRSP Series ETF Models ($10K)

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 the 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.

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, subject to additional risks that are discussed below:

•ETFs are subject to the funds' managerial 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

BlackRock Strategic ETF Models ($10K)

Individually Customized Fixed Income Mutual Fund/ETF Portfolios

Vanguard CRSP Strategic ETF Models ($10K)

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 and 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.

CREDIT RISK

Credit risk is the possibility of a loss resulting from a borrower's failure to repay a loan of meet contractual obligations to a bond holder. Traditionally, it refers to the risk that a lender may not received the owed principal and interest, which results in an interruption of cash flows and increased costs for collection. When a lender or bondholder faces heightened credit risk, it can be mitigated via a higher coupon rate, which provided for greater cash flows.

Although it's impossible to know exactly who will default on obligations, properly assessing and managing credit risk can lessen the severity of a loss. Interest payments from the borrower of issuer of a debt obligation are a lender's or investor's reward for assuming credit risk.

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: Tactical

Canterbury Portfolio Thermostat ($40K)

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 approach that attempts to quantify the return and risk of the investment up front. These strategies typically attempt to provide

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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 WCM 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. How- ever, 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.

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 WCM 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. Such custom portfolios created by the client's IAR are managed by the IAR, who directs WCM to place trades on the client's behalf.

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. WCM'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 WCM, 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 to be worth more or less than the amount invested.

WCM 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.

ITEM 9 - 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 WCM and its management team.

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

ITEM 10 - OTHER FINANCIAL INDUSTRY ACTIVITIES AND AFFILIATIONS

IARs with WCM may also be Registered Representatives and/or insurance agents 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 and/or insurance agents, 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 material conflict of interest exists because the IAR receives compensation in the form of commissions, and this arrangement incentivizes the IAR to recommend investment products based upon the commission received rather than upon the clients' best interest.
WCM has adopted certain procedures designed to mitigate the effects of these conflicts. For example, as part of WCM'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. Material conflicts presented by these practices are disclosed to clients at the time of entering into any new advisory or consultative arrangement.

The CEO of Whitestone Capital Management LLC, Garry E Collins, is also the President of Provident Retirement and Financial Services, Inc.. Provident is the separate and corporate entity that Mr. Collins strictly uses for his personal insurance clients. As a licensed insurance agent, Mr. Collins spends on average, one hour per week servicing insurance related products and clients through Provident. Provident is not an investment advisory firm.

Mr. Collins does not, nor does Provident, approach or offer any clients of Whitestone with insurance product recommendations . His focus is strictly Assets Under Management directed to WCM by himself as an IAR, and other IARs contracted with WCM and their clients.

As WCM CEO, Mr. Collins may be asked to assemble a comprehensive financial planning services for individuals and families as mentioned previously. In the event such Financial Planning analysis makes recommendations which include the purchase of any investment products, or insurance related products, Mr. Collins does not offer the services of WCM or Provident to meet any needs outlined in the plan. If the financial planning client, who is not currently a WCM Asset Management Services client, asks or seeks the use of WCM's Asset Management services upon the completion of a Financial Plan, Mr. Collins will outline WCM Asset Management services per this document but allow the client to become a WCM Asset Management service client only at the choice of the client. Regarding insurance products, if any that could be discussed in a Financial Plan, Mr. Collins will refer the client to the insurance company, agency, or agent of his/her or their choice.

All outside activities and affiliations create an additional conflict of interest in that WCM's CEO and IAR obligations to these outside interests may either conflict with the advisement provided by WCM 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 WCM's CEO and its IARs will devote as much time to the business and affairs of WCM 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.

Mr. Daniel R Kerr, WCM Investment Advisor Representative is the Chief Executive Officer of Heritage Financial Planning LLC. Mr. Kerr acts as investment adviser representative of WCM and may offer insurance products through his affiliated company, Heritage Financial Planning LLC, to WCM clients.

WCM 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, WCM 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 Item 11 for additional information.

ITEM 11 - CODE OF ETHICS, PARTICIPATION OR INTEREST IN CLIENT TRANSACTIONS AND PERSONAL TRADING

In accordance with SEC Rule 204a-1 of the Investment Advisers Act of 1940, WCM maintains and enforces a Code of Ethics. The Code requires employee, including IAR, reporting of all securities holdings and transactions, and 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 WCM's Chief Compliance Officer. All WCM 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.

WCM 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. They should not engage in any activity in conflict with the interest of any client, and they should take steps reasonably necessary to fulfill these obligations. WCM and its IARs must employ reasonable care to avoid misleading clients and must provide full and fair disclosure of all material facts to their 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. WCM 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.

WCM 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 WCM are required to submit to the WCM Compliance Department duplicate copies of all trades and account statements for review. WCM does not allow any IAR or employee to trade ahead of their clients. This would present a material conflict of interest, whereby the IAR or employee would, by putting his/her interest ahead of clients, thus seeking a better price for such securities ahead of the client. For individual securities such as stocks, bonds and exchange traded funds, any IAR or employee invested in the same models as clients are block traded with all clients holding that security where an average price is used.

To review a copy of WCM's Code of Ethics, please make a written request to your IAR, contact WCM at 502-648-0106 or compliance@whitestoneadvisor.com.

ITEM 12 - BROKERAGE PRACTICES

As an investment advisory firm, WCM has a fiduciary duty and discretionary authority to seek best execution for client transactions. While best execution is difficult to define and challenging to measure, there is some consensus that it does not solely mean the achievement of the best price on a given transaction. Rather, it appears to be a collective consideration of factors concerning the trade in question. Such factors include the security being traded, the price of the trade, the speed of the execution, apparent conditions in the market, and the specific needs of the client. In the majority of cases.

WCM requires clients use Charles Schwab as custodian of client accounts. All trades are placed through Charles Schwab, except in limited circumstances where the client may request a security that may require a third party or agency."

The Client consents and agrees that WCM may aggregate ("block trade") sale and purchase orders with other client accounts that have similar orders being made contemporaneously under the management of WCM, if in WCM's judgment such aggregation is reasonably likely to result in an overall economic benefit to the Account. Such benefits may include better transaction prices and lower trade execution costs. If all aggregate orders do not fill at the same price, WCM may cause the Client and each similar order to pay or receive the average prices at which the orders were filled. If such orders cannot be fully executed under prevailing market conditions, WCM may allocate the securities traded among clients and each similar order in a manner which it considers equitable, taking into account, the size of the order placed, the Client's cash position, investment objective of the Account, size of the order and liquidity of the security. WCM will use its good faith judgment in the best interest of the Client when it places orders for the Investment Account. This includes the execution of securities transactions through WCM's sole custodian of accounts, the Charles Schwab Company.

CHARLES SCHWAB INSTITUTIONAL PROGRAM

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

WCM participates in Charles Schwab's Institutional customer program as stated above and WCM requires clients to maintain accounts with Charles Schwab for custody and brokerage services. There is no direct link between WCM's participation in the program and the investment advice it gives to its clients, although WCM receives economic benefits through its participation in the program that are typically not available to Charles Schwab retail investors. These bene- fits include the following products and services (provided without cost or at a discount): duplicate client statements and confirmations; research related products and tools; 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 WCM by third party vendors. Charles Schwab may also have paid for business consulting and professional services received by WCM's related per- sons, and may also pay or reimburse expenses (including travel, lodging, meals and entertainment expenses) for WCM's personnel to attend conferences or meetings relating to the program or to Charles Schwab's advisor custody and brokerage services generally. Some of the products and services made available by Charles Schwab through the program may benefit WCM but may not benefit its client accounts. These products or services may assist WCM in managing and administering client accounts, including accounts not maintained at Charles Schwab. Other services made available by Charles Schwab are intended to help WCM manage and further develop its business enterprise. The benefits received by WCM (or its personnel) through participation in the program do not depend on the amount of brokerage transactions directed to Charles Schwab. Clients should be aware, however, that the receipt of economic benefits by WCM or its related persons in and of itself creates a potential conflict of interest and may indirectly influence WCM's choice of Charles Schwab for custody and brokerage services.

WCM also receives from Charles Schwab certain additional economic benefits ("Additional Services") that may or may not be offered to any other independent investment advisors participating in the program. Charles Schwab provides the Additional Services (which typically involves access to account performance tracking software) to WCM at its sole discretion and at its own expense, and WCM does not pay any fees to Charles Schwab for the Additional Services. WCM and Charles Schwab have entered into a separate agreement (Additional Services Addendum) to govern the terms of the provision of the Additional Services.

While there is no direct link between this and the advice provided to WCM clients, this arrangement could be considered a conflict of interest that clients are herein made aware of, and which clients should consider when choosing an advisor. The benefits described above are not dependent on specific dollar amounts of brokerage transactions directed to Charles Schwab by WCM.

WCM's receipt of Additional Services raises potential conflicts of interest. In providing Additional Services to WCM, Charles Schwab most likely considers the amount and profitability to Charles Schwab of the assets in, and trades placed for, WCM's client accounts maintained with Charles Schwab. Charles Schwab has the right to terminate the Additional Services Addendum with WCM, in its sole discretion, provided certain conditions are met. Consequently, in order to continue to obtain the Additional Services from Charles Schwab, WCM may have an incentive to recommend to its clients that the assets under management by WCM be held in custody with Charles Schwab and to place transactions for client accounts with Charles Schwab. WCM's receipt of Additional Services does not diminish its duty to act in the best interests of its clients, including the seeking of best execution of trades for client accounts.

ITEM 13 - REVIEW OF ACCOUNTS

WCM 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. WCM's CEO, Garry E. Collins, 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 WCM 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 WCM, their IAR, or Sub-Advisory firm 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. WCM 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.

REPORTS PROVIDED TO CLIENTS

Clients may receive a quarterly performance evaluation, a monthly activity summary statement, confirmation of all transactions as they occur, and a year-end tax summary supplemental to their account statements. All reports are provided in writing. Additional reports may be provided depending on the program and at the request of the client. All account statements are sent to the client directly from the custodian. Clients should compare any firm generated statements to custodial statements.

ITEM 14 - CLIENT REFERRALS, OTHER COMPENSATION, AND ECONOMIC BENEFITS RECEIVED

WCM is provided with an economic benefit through its receipt of soft dollars in accordance with Section 29(e) of the Securities Exchange Act of 1934. WCM may enter into these “soft dollar” arrangements whereby brokerage transactions are directed to certain broker/dealers (in our case, The Charles Schwab Company) in return for investment research products and/or services which assist WCM in its investment decision-making process. The receipt of such services may be perceived to serve as an economic benefit to WCM, and although customary, these arrangements give rise to potential conflicts of interest, including the incentive to allocate securities transactional business to broker/ dealers based on the receipt of such benefits rather than on a client’s interest in receiving most favorable execution. Please refer to the Brokerage Practices section of this brochure which more fully describes these benefits and how WCM addresses the conflicts of interest.

COMPENSATION FOR CLIENT REFERRALS

WCM may enter 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 WCM’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 WCM receives a client referral from a Solicitor (i.e., the Solicitor was the procuring cause), WCM will pay a cash referral fee to the Solicitor based upon a per- centage of our advisory fee received from that particular client and based on the client’s assets under management. In the instance where WCM refers a client to another advisor, WCM will receive a cash referral fee from the advisor for its referral of a WCM client. Under these circumstances, WCM 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.

ITEM 15 - CUSTODY

WCM uses an independent third-party custodian to hold all client securities and assets. The third-party custodian currently is Charles Schwab. Clients receive monthly or quarterly statements, as well as trade confirmations, directly from the custodian. Custodial statements include account holdings, market values and any activity that occurred during the period, including the deduction of investment advisory fees. Clients should compare these statements to any other reports generated by their advisor.

For an investment advisory firm, its related entities, and/or its personnel, custody is defined as directly or indirectly holding funds or securities or having the authority to obtain possession of them. The WCM client agreement or Investment Policy Statement, or the separate agreement with any Financial Institution if applicable, authorizes WCM to debit the client's account for the amount of WCM management fees and to directly remit that management fee in accordance with applicable custody rules. WCM is deemed to have custody of client assets only as a result of clients authorizing the Firm to distribute assets from their accounts to a specific named recipient in accordance with a standing letter of instruction.

In selecting custodial brokers for execution or recommendation to customers, WCM considers the full range and quality of services, including the value of research provided, execution capability, commission rate, financial responsibility and responsiveness to WCM in order to obtain the best execution for the client. WCM periodically evaluates the custodial broker/dealers it selects or recommends for clients.

ITEM 16 - INVESTMENT DISCRETION

WCM and its IARs and sub-advisory RIAs have discretion over the selection and amount of securities to be bought or sold in client accounts without obtaining prior consent or approval from the client. However, these purchases or sales must be subject to specified investment objectives, guidelines, or limitations previously set forth by the client and agreed to by WCM.

Discretionary authority will only be authorized upon full disclosure to the client. The granting of such authority will be evidenced by the client's execution of an Investment Advisory Agreement enclosed in the IPS Parts A and B containing all applicable limitations to such authority. All discretionary trades made by WCM will be in accordance with each client's investment objectives and goals.

The client gives WCM unlimited and unrestricted discretionary authority to invest and reinvest the assets held in the investment account, including but not limited to the ability to substitute models with similar investment objectives as needed and at the client's sole risk. WCM is not required to notify the client prior to any transaction and normally will not do so. The client hereby designates WCM as the agent and attorney-in-fact with a limited power of attorney. WCM has full power to arrange for the delivery of and payment for securities purchased or sold.

As stated earlier in this brochure, WCM currently does not utilize margin or options in any of its client accounts.

ITEM 17 - VOTING CLIENT SECURITIES

WCM will not vote proxies on behalf of our advisory accounts. At the client's request, we may offer advice regarding corporate actions and the exercise of client proxy voting rights. If a client owns shares of applicable securities, that client is responsible for exercising the right to vote as a shareholder. In most cases, the client will receive proxy materials directly from the account custodian. However, in the event WCM were to receive any written or electronic proxy materials, WCM would forward them directly to the client or the client's designated agent by mail, unless the client has authorized the firm to contact him/her by electronic mail, in which case, WCM 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, WCM cannot give any advice or take action with respect to the voting of these proxies.

ITEM 18 - FINANCIAL INFORMATION

WCM does not require prepayment of more than $500 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 19 – REQUIREMENTS FOR STATE-REGISTERED ADVISERS

Currently, Whitestone Capital Management is registered with the state of Indiana and the Commonwealth of Kentucky and is subject to the rules and regulations of those states. As IARs affiliate themselves with Whitestone, WCM will immediately register with the states where that IAR has clients subject to limitations mentioned below.

Whitestone Capital Management LLC executive officers are:

Garry E Collins, Chief Executive Officer
Mr. Collins received his Bachelor of Science degree in Communications from the University of Southern Indiana in Evansville, Indiana. He first began working in the financial services industry in 1992. He is series 65 licensed as an Investment Advisor Representative, as well as being a licensed insurance agent. Garry serves on the Board of Directors of New Life Christian Mission, which serves churches throughout India and Nepal.

Jennifer L. Collins, Vice President
Mrs. Collins received her Bachelor of Science degree in Psychology from Liberty University in Lynchburg, Virginia. Jennifer holds no advisory capacity or management position within Whitestone Capital Management LLC. She is the adoring mother of four children and eight grandchildren.

In accordance with Securities and Exchange Commission reporting requirements, Whitestone Capital Management LLC, as well as its two officers, Garry and Jennifer Collins, have not been found to be liable of fraud, embezzlement, bribery, forgery or any other dishonest, unfair, or unethical practices in an arbitration setting or in a civil, self-regulatory organization or administrative proceeding.

REGISTRATION FEES

WCM pays an initial registration fee to any state in which its IARs have five or more clients. WCM also pays a registration fee for each IAR affiliated with WCM.

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As mentioned above under "Registration Fees," WCM is not required to register until it has more than 5 clients, as long as the IA does not have a physical presence in the state. For additional information, please contact:

Indiana Securities Division
302 West Washington
Room E-111
Indianapolis, IN 46204
(317) 232-6681 (Phone)

If you reside in any other jurisdiction and have questions about registrations or regulations, please contact WCM at (812) 697-1537, at compliance@whitestoneadvisor.com, or your State Securities Administrator.