



Item 1 Cover Page

FORM ADV PART 2A* BROCHURE

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*This brochure provides information about the qualifications and business practices of Ensemble Capital Management, LLC. If you have any questions about the contents of this brochure, please contact the Firm's Chief Compliance Officer, Matthew E. Pearson at telephone 650.696.1240. The information in this brochure has not been approved or verified by the United States Securities and Exchange Commission or by any state authority. Additional information about Ensemble Capital Management, LLC is available on the SEC's website at www.advisorinfo.sec.gov.

This Brochure provides information upon which a prospective client may determine whether or not to hire our Firm. You are encouraged to review this Brochure and Supplements regarding the Firm's associates for information on the qualifications of the Firm and its employees.

The use of the term "registered investment adviser" and description of Ensemble Capital Management, LLC and/or our associates as "registered" does not imply a certain level of skill or training.

Item 2 MATERIAL CHANGES FROM PRIOR FORM ADV PART 2A

This updated Form ADV Part 2A contains the following changes from the prior version:

- Updated description of Firm Code of Ethics at Item 11.
- Updated description of aggregated trading policies at Item 12.

Item 3 TABLE OF CONTENTS

ITEM 1	COVER PAGE	1
ITEM 2	MATERIAL CHANGES FROM PRIOR FORM ADV PART 2A.....	2
ITEM 3	TABLE OF CONTENTS.....	2
ITEM 4	ADVISORY BUSINESS.....	3
ITEM 5	FEES AND COMPENSATION	5
ITEM 6	PERFORMANCE-BASED FEES.....	8
ITEM 7	TYPES OF CLIENTS	8
ITEM 8	METHODS OF ANALYSIS, INVESTMENT STRATEGIES, RISK.....	8
ITEM 9	DISCIPLINARY INFORMATION	12
ITEM 10	OTHER FINANCIAL INDUSTRY ACTIVITIES AND AFFILIATIONS	12
ITEM 11	CODE OF ETHICS, PARTICIPATION OR INTEREST IN CLIENT TRANSACTIONS AND PERSONAL TRADING.....	12
ITEM 12	BROKERAGE PRACTICES	14
ITEM 13	REVIEW OF ACCOUNTS.....	18
ITEM 14	CLIENT REFERRALS AND OTHER COMPENSATION	18
ITEM 15	CUSTODY OF CLIENT ASSETS.....	19
ITEM 16	INVESTMENT DISCRETION	19
ITEM 17	VOTING CLIENT SECURITIES	19
ITEM 18	FINANCIAL INFORMATION.....	20
	INDEX OF ERISA REQUIRED DISCLOSURES	21

Item 4 ADVISORY BUSINESS

Registration Status – Registered with the SEC on August 28, 1997¹
Principal Owners – Sean Stannard-Stockton, Chief Investment Officer
 Matthew Pearson, Chief Operating Officer, Compliance Officer
 Ludo Thomasson, Director of Wealth Management

Assets Under Management – Discretionary Assets:	\$ 778,855,000.00
(As of December 31, 2018) – Non-discretionary Assets:	\$ 1,993,000.00
Total Assets Under Management:	\$ 780,848,000.00

ADVISORY SERVICES

Ensemble Capital Management, LLC (“Ensemble”) generally manages clients’ portfolios on a continuous basis, investing in equity, fixed income and cash equivalent marketable securities. We are compensated on a fee basis, as a percentage of the assets placed under our management and not on commissions charged for securities transactions. Accounts are generally managed on a fully discretionary basis, although the acquisition or disposition of some portfolio assets may require client consent before transactions are initiated. Although clients differ in terms of their risk tolerance, expected portfolio returns, income requirements, and preferred asset classes, generally Ensemble’s management style seeks capital appreciation, consistent with preservation of capital.

Where clients seek supervisory services, Ensemble conducts a detailed analysis of a client’s income requirements, tax status, risk and volatility preferences, and other objectives and preferences. Ensemble creates and manages a portfolio of securities tailored to the client’s needs. In other cases, management is based on specific instructions from the client as to the objectives for the particular assets managed by Ensemble rather than on the client’s overall needs. Ensemble does not undertake to provide clients with tax or accounting advice and clients are advised to consult their own attorneys and accountants for determining the tax and accounting consequences of investments made by Ensemble on their behalf.

Ensemble generally requires clients to place a minimum of \$2,000,000 under management with the Firm. Multiple client accounts may be aggregated to meet these minimums. Under certain circumstances, and in its sole discretion, the Firm may waive or alter the minimum account size requirement.

A client may make additions to and withdrawals from the client’s custodial account at any time, subject to the Firm’s right to terminate an account if the amount of assets drops below our account size minimum. Clients may withdraw account assets with notice to the Firm, subject to the usual and customary securities settlement procedures. However, we design client portfolios as long-term investments and caution our clients that asset withdrawals may impair the achievement of the client’s investment objectives.

¹ “Registration” means only that the Firm meets the minimum requirements for registration as an investment advisor and does not imply that the SEC guarantees the quality of our services or recommends them.

Assets deposited by a client into their management account between billing cycles will not result in additional management fees being billed to the client unless such deposits equal or exceed \$100,000. Such deposits of this amount or greater, in most cases, will require modifications and adjustments to a client's investment allocation. Therefore, a pro-rata fee based upon the number of days remaining in the current quarterly period may be assessed to the client for deposits equaling or exceeding the above amount. For assets withdrawn by a client, Ensemble does not make partial refunds of their management fees.

Additions to an account may be in cash or securities provided that our portfolio managers may decline to accept particular securities into a client's account or may recommend that the security be liquidated if it is inconsistent with the Firm's investment strategy or the client's investment objectives. Clients are advised that when transferred securities are liquidated, they may be subject to transaction fees, fees assessed at the mutual fund level (i.e. contingent deferred sales charge) and/or tax ramifications.

LONG TERM PLANNING SERVICES

Ensemble works with its investment management clients to define financial objectives and develop strategies for reaching those objectives. We review and analyze clients' financial circumstances, including investment assets, income and expenses, tax considerations, debt, insurance, estate plan and other factors pertaining to their financial objectives and concerns. Depending upon client needs and requests, Ensemble's long-term planning services may include a financial review and analysis of some or all of the following areas:

- Retirement Planning
- Income Planning
- Asset Allocation
- Stock Options & Restricted Stock
- Multigenerational Wealth
- Education Funding
- Special Needs Funding

GENERAL NOTICES

In performing its services, Ensemble relies upon the information received from its client or from their other professional legal and accounting advisors, and is not required to independently verify such information. Clients must promptly notify us of any change in their financial situation or investment objectives that would necessitate a review or revision by our advisors of the client's portfolio and/or financial plan.

In the event that the Firm employee receives a client request that, in the opinion of the Firm, runs contrary to the client's own best interests, and where the Firm suspects that the request is the result of elder abuse, financial exploitation, fraud, or a serious cognitive issue, the Firm may, in its sole discretion, delay the execution of the client request until such time that client's trusted contact person, guardian, attorney in-fact, or other authorized representative is contacted to address this concern.

INVESTMENT ADVISOR TO THE ENSEMBLE FUND

Ensemble is the investment manager to a mutual fund known as the Ensemble Fund (the "Fund") which was launched in November 2015. The Fund is registered with the U.S. Securities and Exchange Commission as an investment company pursuant to the Investment Company Act of 1940, as amended. The Fund follows the same general investment strategy that the Firm employs for its separately managed client accounts although the investment strategy followed for any individual separately managed account will differ where based upon specific client financial condition, risk tolerance and investment guidelines.

Because the Firm manages separate accounts of individuals that employ a similar investment strategy to that of the Fund, a conflict of interest may arise in connection with the day-to-day management of the Fund and the individual accounts: the management of the Fund and individual accounts may result in unequal time and attention being devoted to the one or the other; the portfolio manager could favor one account type over another; the portfolio manager's knowledge about the size, timing and possible market impact of trades, could be used to the advantage of one account type over another.

TERMINATION OF AGREEMENT

Clients may terminate their investment management agreement at any time upon written notice to the Firm. Any prepaid fees owed to the client will be refunded on a pro rata basis determined on the amount of time expired in the calendar quarter.

If a copy of this Form ADV Part 2A disclosure statement was not delivered to the client prior to or simultaneous with a client entering into a written advisory contract with Advisor, then the client has the right to terminate the contract without penalty within five (5) business days after entering into the contract. For purposes of this provision, a contract is considered entered into when all parties to the contract have signed the contract. If the client terminates the contract on this basis, all fees paid by the client will be refunded. Any transaction costs imposed by the executing broker or custodian for establishing the custodial account or for trades occurring during those five days are non-refundable.

Item 5 FEES AND COMPENSATION

ADVISORY FEES

Ensemble's investment management fee is calculated on the fair market value of the assets in the client's account. Fees are calculated as of the first business day of each calendar quarter based on the month ending market value and are payable in advance. The following is the basic fee schedule, which is subject to change upon written notice by the Firm to its clients:

1.0% on all assets

Account valuations and the billable value of each account are determined by Tamarac®, a leading third-party service provider to Ensemble and the investment management industry. Tamarac receives valuation data directly from the account custodian and other, independent

financial industry sources. While valuation data is provided by the client's custodian directly to Tamarac, there are differences in the methodologies used by Tamarac and the custodian when determining valuations. Some of those differences are as follows:

- Tamarac valuations utilize trade date reporting while custodian valuations typically utilize settlement date reporting.
- Tamarac valuations may include accrued interest, dividends and gains while the custodian valuation may not.
- Tamarac valuations may reflect transactional data that has been back dated by the custodian while the custodian's valuation may exclude back dated transactions.

While we believe Tamarac provides the most accurate account valuations based upon real-time account activity, these differences in methodologies may lead to a difference between Tamarac's valuation of client account holdings and a custodian's valuation of client account holdings.

For illiquid assets held by a client that are not subject to a readily obtainable market valuation, Ensemble relies on the custodian or other third party such as a client's accountant, legal advisor, the issuer of the security or other outside appraiser to determine a valuation.

Clients typically authorize Ensemble to invoice the custodian of the account for payment of the above fee directly from clients' accounts. Ensemble's invoice, which is sent to each client and their respective custodian within ten business days, states the amount of the fee for the quarter in question, the value of the assets on which the fee is based, and the manner in which the fee is calculated. Clients are strongly advised to verify the accuracy of the fee, as their custodian will not determine whether the fee is properly calculated.

The foregoing is Ensemble's *basic* fee schedule; however, fees are negotiable in special circumstances based on the nature and complexity of the client's account and arrangements with any particular client may vary from those of another client.

To the extent that a client authorizes the use of margin, and margin is thereafter employed by our portfolio managers in the management of the client's portfolio, the market value of the client's account and corresponding fee payable by the client to Ensemble could be increased as any margin balance will not be offset against the value of assets purchased on margin when Ensemble calculates its advisory fee. As a result, in addition to understanding and assuming the additional principal risks associated with the use of margin, clients authorizing margin are advised of the potential conflict of interest whereby the client's decision to employ margin would correspondingly increase the management fee payable to the Firm.

THE ENSEMBLE FUND MANAGEMENT FEES AND OTHER COSTS

The Firm charges the Ensemble Fund a 1.0% investment management fee on Fund investments. Firm clients that are invested in the Fund will pay the Fund management fee however the value of the Fund investment will be excluded from the Firm's calculation of the client's non-Fund investment management fee to avoid duplicate fee assessments. Please review the Fund's

prospectus for detailed disclosures regarding its management fee, costs and expenses disclosures.

GENERAL FEE DISCLOSURES

Ensemble receives no sales commissions on investment products purchased or sold for client accounts. We believe our management fees are competitive with fees charged by other investment advisors in the San Francisco Bay area for similar services. However, comparable services may be available from other sources for lower fees than those charged by Ensemble.

We do not provide clients advice as to the tax deductibility of our advisory fees. Clients are directed to consult a tax professional to determine the potential tax deductibility of the payment of advisory fees.

CUSTODIAN AND BROKERAGE FEES

Clients incur certain charges imposed by their custodians and other third parties such as deferred sales charges, transfer taxes, wire transfer and electronic fund fees, and other fees and taxes on brokerage accounts and securities transactions. Additionally, clients will incur charges by the executing broker-dealer in the form of brokerage commissions and transaction fees on the investment transactions entered into for their account(s). All of these charges, fees and commissions are in addition to Advisor's investment management fee.

MUTUAL FUND AND OTHER FUND DISCLOSURES

Mutual funds, closed-end funds, exchange traded funds and alternative investment funds are investment vehicles and the investment strategies, objectives and types of securities held by such funds vary widely. In addition to the advisory fee charged by Ensemble Capital, clients indirectly pay for the expenses and advisory fees charged by the funds in which their assets are invested.

All such funds incur operating expenses in connection with the management of the fund. Investment funds pass some or all of these expenses through to their shareholders (the individual investors in the funds) in the form of management fees. The management fees charged vary from fund to fund. In addition, funds charge shareholders (individual investors in the funds) other types of fees such as early redemption or transaction fees. These charges also vary widely among funds. As a result, clients will still pay management fees and other, "indirect" fees and expenses as charged by each mutual fund (or other fund) in which they are invested.

Clients are provided a copy of a fund prospectus for each fund in which they invest by their custodian or by the fund sponsor rather than by Ensemble Capital. As required by law, a prospectus represents the fund's complete disclosure of its management and fee structure. In addition, a fund's prospectus can be obtained directly from the fund.

BOND DISCLOSURE

Clients whose assets are invested in bonds purchased directly from an underwriter or on the secondary market may pay a sales credit or sales concession to the underwriter on the trade (in lieu of a sales commission). The client's custodian may also impose a fee on the transaction.

Item 6 PERFORMANCE-BASED FEES

Ensemble Capital does not charge performance related fees to separately managed client accounts. No part of the investment management fee is calculated as a percentage of the capital gain or capital appreciation of assets.

Ensemble acts as the investment advisor to the Fund and earns fees for its investment management services thereto. The Fund follows the same general investment strategy that the Firm employs for its separately managed client accounts and charges a similar 1.0% management fee. No part of the investment management fee is calculated as a percentage of the capital gain or capital appreciation of assets. Please review the Fund's prospectus for detailed disclosures regarding its management fee, costs and expenses disclosures.

Item 7 TYPES OF CLIENTS

Our clients include individuals, families, trusts, estates, foundations and other entities. We have established a \$2 million minimum value of assets for opening an individual client account. As a result, Ensemble's services may not be appropriate for everyone.

Item 8 METHODS OF ANALYSIS, INVESTMENT STRATEGIES, RISK

METHODS OF ANALYSIS

Ensemble Capital relies on leading industry research to inform the Firm's investment strategy and utilizes a variety of financial and economic sources to study various asset classes including third party academic and brokerage research materials, the financial media, corporate rating services, corporate annual reports and regulatory filings, press releases, and prospectuses. We then gather additional information through our network of industry and company contacts.

INVESTMENT STRATEGY

Original in-house research is at the heart of our investment process. We look for companies that have superior competitive positioning and create real cash earnings on behalf of shareholders at a higher than average rate. These companies achieve above-average returns on the capital they invest into their businesses while growing at sustainable and attractive levels.

We look first for durable companies that we believe have bright prospects and limit our investments to those that pass our rigorous tests. Only after this assessment positively identifies

an investment opportunity do we work to establish what we believe is a reasonable estimate of the company's intrinsic value. We then require the stocks we add to our portfolio to be trading at a substantial discount to our estimate of that intrinsic value.

We do extensive fundamental research to identify companies with these characteristics. The attributes we look for include strong and durable competitive advantages, high and sustainable returns on invested capital, competent and shareholder-oriented management, long-term growth opportunities, and sustainable levels of debt.

The focus of our investment process is in identifying the small number of companies that we believe have the ability to potentially produce a relatively predictable stream of cash flow generation. It is these companies that we believe we have the capacity to make a reasonable estimate of their intrinsic value and therefore identify those times when the market price of their stock offers a compelling investment opportunity.

At Ensemble, we invest our clients' equity assets in 15-30 stocks. This degree of focus provides the benefits of diversification while keeping our clients' assets in our best ideas. With this level of focus, we are able to know every company in our portfolio inside and out. Research shows that the benefits of diversification are optimized at between 15 and 30 holdings.

Ensemble's core equity strategy primarily invests in securities listed on US exchanges and includes securities of global and foreign companies. We do not believe that direct investments in securities listed on foreign exchanges is required to maintain an appropriately diversified portfolio. However, we believe that for certain clients, additional global equity exposure may provide enhanced diversification of long term, risk adjusted portfolio return sources. We work with each client individually to understand if this additional foreign market exposure is suitable.

We believe that investment managers who invest in non-US exchange listed securities should specialize in this area and maintain a global research team. Therefore, Ensemble performs extensive, ongoing research on foreign equity asset managers who employ a strategy similar to our own, namely: managers that manage focused portfolios, invest in competitively advantaged companies, and seek to purchase securities when they trade at a discount to intrinsic value. We then build a portfolio of mutual funds to provide our clients exposure to foreign equities in both emerging and developed markets and across the market capitalization universe.

We believe that fixed income investments should play a capital preservation and volatility reduction role in client portfolios. We invest primarily in treasuries, FDIC insured certificates of deposit, A-rated or better corporate and municipal bonds, as well as devoting a portion of client portfolios to investment grade bond mutual funds to meet liquidity needs. Unlike in our equity portfolio where we view security selection as our main source of potential alpha, we view the fixed income universe within which we invest as having little opportunity to generate security selection-based outperformance and instead we focus on optimizing our position on the yield curve.

Our clients who have a bond allocation in their portfolios typically undergo some degree of financial planning with us and in these cases, we structure the maturity schedule of bond portfolios to optimize risk adjusted potential returns while also taking into account client specific cash flow liabilities and using fixed income portfolio assets to match and de-risk those liabilities.

INITIAL PUBLIC OFFERINGS (“IPOs”)

While not a substantial part of its investment style, Ensemble does from time to time invest in initial public offerings (“IPO”) on behalf of client accounts for which such investments are suitable. Some client accounts do not participate in IPOs at all or do not participate in certain volatile IPOs, either due to client instructions, risk tolerance, financial condition or investment objectives. When client accounts are determined to be eligible to participate in a purchase of an IPO, and there is an insufficient amount of shares of the IPO for all accounts eligible to participate in the trade, Ensemble uses a randomization process to select participating accounts so that all eligible accounts are selected from fairly.

ENSEMBLE FUND STRATEGY

The Ensemble Fund seeks to achieve long-term capital appreciation by investing in a focused portfolio of approximately 15 to 30 securities, which it believes are undervalued relative to their future prospects. Under normal market conditions, the Fund invests primarily in common stocks of companies of all sizes, including small-capitalization companies. The Fund may invest in foreign securities, including American Depositary Receipts (ADRs). The Fund may also invest in fixed income securities without regard to maturity and duration. From time to time, the Fund may invest a significant portion of its assets in a particular sector. The Firm attempts to evaluate the underlying economic values of securities and invests in securities whose market values it believes are substantially below their estimated economic values. Please review the Fund’s prospectus for detailed disclosures regarding its investment strategy and methodologies.

INVESTMENT RISKS

Our portfolio managers believe that risk management is every bit as important as stock selection. In addition to our thorough scrutiny of individual securities, we attempt to reduce risk by diversifying equity portfolios among up to 30 stocks, taking care to limit concentration in any one company or industry. We also construct portfolios in accordance with each client’s tolerance for both business risk and market risk.

All investments carry risk, including the risk that an investor may lose a part or all of his or her initial investment. Here are some of the general risks associated with parts of our investment strategy:

Short-term purchases – While Ensemble generally purchases securities with the intent to hold them for more than a year, we may on occasion determine to buy or sell securities in a client’s account and hold them for less than a year. Some of the risks associated with short-term

trading that could affect investment performance are increased commissions and transaction costs to the account and increased tax obligations on the gains in a security's value.

Bond Pricing – The price of bonds depends in part on the current rate of interest. Rising interest rates decrease the current price of bonds because current purchasers require a competitive yield. As such, decreasing interest rates increase the current value of bonds with associated decrease in bond yield. We may decide to exchange to a lower or higher duration bond or to another asset class due to interest rate risk that could affect investment performance.

Inflation - Inflation is the loss of purchasing power through a general rise in prices. If an investment portfolio is designed for current income with a real rate of return of 4% and inflation were to rise to 5% or higher, the account would result in a loss of purchasing power and create a negative real rate of return.

Price Fluctuation - Security prices do fluctuate (except for cash or cash equivalents) and clients must accept that risk associated with the fluctuations or change to a more appropriate investment portfolio in alignment with their risk tolerance.

Mutual Funds with Foreign Asset Holdings – Any investment in mutual funds that make foreign investments are subject to the uncertainty of changes in the foreign currency value. The client will bear more risk and may earn a substantially higher return or a substantially lower return.

Short Sale Trading – Short Sale Trading, or “shorting” involves a great amount of risk and is not advocated by Ensemble, nor is it a part of its investment strategy. In rare cases, short selling may be used as directed by the client to achieve specific goals.

Margin Trading – Ensemble does not utilize leverage as a core part of its investment strategy. In rare cases, and generally only for short term financing considerations, accounts may assume a margin balance. The custodian requires a percentage of assets under management to be pledged as collateral for the margin amount. Clients risk that in a falling market, the pledged collateral will be insufficient to cover a margin call by the custodian.

Option Trading – Ensemble does not utilize option trading as a core part of its investment strategy. However, at a client's direction, options may be purchased. Option securities are complex derivatives of equity securities that incorporate certain leverage characteristics and as such carry an increased risk of investment loss.

Alternative Asset Classes – Ensemble does not generally utilize alternative investments as a core part of its investment strategy. Many alternative investments are illiquid, which means that the investments can be difficult to trade. Consequently, such holdings may limit a client's ability to dispose of such investments in a timely manner and at an advantageous price.

IPOs – Are generally investments in companies with limited operational histories and are highly subject to market sentiment. Shares purchased through an IPO often trade up or down

significantly from their offer price and can be subject to high levels of volatility after their entry into the public markets and, as such, carry increased risks.

Currency Risk - Foreign currencies may experience steady or sudden devaluation relative to the US dollar, adversely affecting the value of the investments.

Foreign Investment Risk - Securities issued by foreign entities involve risks not associated with US investments. These risks include additional taxation, political, economic, social or diplomatic instability, and changes in foreign currency exchange rates. There may be less publicly-available information about a foreign company.

Item 9 DISCIPLINARY INFORMATION

Ensemble has no disciplinary history and consequently, is not subject to any disciplinary disclosures.

Item 10 OTHER FINANCIAL INDUSTRY ACTIVITIES AND AFFILIATIONS

Ensemble is an independent investment advisor, unaffiliated with any other financial institution or securities dealer or issuer. We recommend that our clients custody their investment accounts at Charles Schwab & Co., Inc. ("Schwab"), a broker-dealer registered with the Financial Industry Regulatory Authority ("FINRA") and member of the Securities Investors Protection Corporation ("SIPC). Although we recommend Schwab's custody services, we have no affiliation with Schwab, do not supervise its brokerage activities and are not subject to its supervision. The Firm, its principals and employees and/or client investment accounts may hold shares of Schwab stock. None of the Firm's principals or employees are registered representatives of a broker-dealer.

Although we may refer our clients to other professionals such as attorneys or accountants for estate planning, tax or other matters, neither the Firm nor is principals or employees are affiliated with any law or accountancy firm.

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

Ensemble Capital, its employees and their family members are permitted to buy and sell securities for their personal investments. To govern such transactions, we adopted employee personal securities policies and procedures and a code of ethics that outline the timing and conditions under which employees and their family members may buy or sell securities. Employees are required to report quarterly all personal securities transactions in which they engage.

Employees may personally invest in the same securities that are purchased for client accounts and may own securities that are subsequently purchased for client accounts. However, it is the policy of Ensemble not to give preference to employee transactions. If a security is purchased or sold for client accounts and employees on different days, it is possible that employees' personal transactions might be executed at more favorable prices than were obtained for clients.

Ensemble imposes the following restrictions upon itself and persons associated with it in connection with the purchase or sale, directly or indirectly, for its or their account, of securities recommended to clients:

- Firm employees and their household members should not benefit from any price movement caused by client transactions or the Firm's recommendations regarding client security transactions.
- Employee personal trades and those of their household members are submitted for pre-approval by the Firm. Employee-related personal trades in the same securities as those of client transactions will not be approved on the same trading day, unless a client trade that was not contemplated by the Firm is prompted by client needs after the employee-related trade was completed.
- From time to time trading by Ensemble and its associated persons (and certain of their relatives) in particular securities may be restricted in recognition of impending recommendations or decisions to invest on behalf of clients.

Employees and their household members are permitted to buy or sell different investments, based on their personal considerations, which the Firm does not deem appropriate to buy or sell for clients. It is also possible that employees take investment positions for their own accounts that are contrary to those taken on behalf of clients. Employees and their household members could also buy or sell a specific security for their personal account based on personal investment considerations aside from company or industry fundamentals, which are not deemed appropriate to buy or sell for clients. This can occur when securities which are not suitable for clients at the time of purchase (e.g., speculative stocks, micro-cap stocks, penny stocks), are purchased by employees and their household members. If these securities subsequently appreciate, these personal transactions could be viewed as creating a conflict of interest.

Conversely, employees and their household members could liquidate a security position which is held both for their own account and for the accounts of Ensemble clients, sometimes in advance of clients. This occurs when personal considerations (i.e. liquidity needs, tax-planning, industry/sector weightings) deem a stock sale necessary for individual financial planning reasons. If the security subsequently falls in price, these personal transactions could be viewed as creating a conflict of interest.

Ensemble employees and their household members are not permitted to "trade on" any knowledge he or she may have about the potential market impact of transactions entered on behalf of clients. Ensemble employees with access to investment decision-making and trading

must have duplicate statements of their brokerage accounts sent to the Firm's compliance officer. Certain securities transactions contemplated by employees and their household members require pre-clearance.

A copy of Ensemble Capital's employee trading policies and code of ethics is made available to clients and prospective clients upon request.

Item 12 BROKERAGE PRACTICES

RECOMMENDATION OF SCHWAB AS CUSTODIAN AND EXECUTING BROKER

Ensemble recommends that clients establish brokerage accounts with Schwab to maintain custody of clients' assets and to effect trades for their accounts. Schwab is independently owned and operated and not affiliated with Ensemble and does not supervise or otherwise monitor Ensemble Capital's investment management services to its clients. Schwab provides Ensemble with access to its institutional trading and custody services, which typically are not available to Schwab retail investors. These services generally are available to independent investment advisers on an unsolicited basis, at no charge to them so long as a total of at least \$10 million of the adviser's clients' assets is maintained in accounts at Schwab, but are not otherwise contingent upon Ensemble committing to Schwab any specific amount of business (in the form of either assets in custody or trading). Schwab's services include brokerage, custody, research and access to mutual funds and other investments that are otherwise generally available only to institution investors or would require a significantly higher minimum initial investment.

For Ensemble Capital's client accounts maintained in its custody, Schwab generally does not charge separately for custody but is compensated by client account holders through commissions or other transaction-related fees for securities trades that are executed through Schwab or that settle into Schwab accounts. Trade executions for client accounts will be done through Schwab unless executed at an alternative broker-dealer. Trades will be executed through a non-custodial broker-dealer: 1. where the quality of trade execution provided by the alternative executing broker-dealer is determined by Ensemble Capital to warrant the increased costs of a trade; 2. when a desired security is not available through Schwab; or 3. when the trade will confer an investment research or brokerage service upon Ensemble Capital that is consistent with its duty of best execution (see below). For trade executions entered through a non-custodial broker-dealer, trade away fees are assessed by Schwab against the account.

Schwab also makes available to Ensemble other products and services that benefit Ensemble but might not benefit all of its clients. Some of these other products and services assist Ensemble in managing and administering clients' accounts. These include software and other technology that provide access to client account data (such as trade confirmations and account statements); facilitate trade execution (and allocation of aggregated trade orders for multiple client accounts); provide research, pricing information and other market data; facilitate payment of Ensemble Capital's fees from its clients' accounts; and assist with back-office functions, recordkeeping and client reporting. Many of these services might be used to service all or a

substantial number of Ensemble Capital's accounts, including accounts not maintained at Schwab. Schwab also makes available to Ensemble other services intended to help Ensemble manage and further develop its business. These services could include consulting, publications and conferences on practice management, information technology, business succession, regulatory compliance and marketing. In addition, Schwab sometimes makes available, arranges and/or pays for such services to Ensemble by independent third parties. Schwab may discount or waive fees it otherwise would charge for some of these services or pay all or a part of the fees of a third-party providing these services to Ensemble Capital.

Ensemble Capital's recommendation that clients maintain their assets in accounts at Schwab is based in part on the benefit to Ensemble of the availability of some of the foregoing products and services and not solely on the nature, cost or quality of custody and brokerage services provided by Schwab, which creates a potential conflict of interest.

DIRECTED BROKERAGE

In a limited number of cases, clients are permitted to direct Ensemble to place all orders for securities transactions with a specific broker-dealer (directed brokerage). In these cases, Ensemble is not obligated to, and will generally not solicit competitive bids for each transaction or seek the lowest commission rates for the client. As such, the client would likely pay higher commission costs, higher security prices and transaction costs than it otherwise would have had it not directed Ensemble to trade through a specific broker. In addition, the client may be unable to obtain the most favorable price on transactions executed by Ensemble as a result of Ensemble Capital's inability to aggregate the trades from this account with other client trades.

Furthermore, the client may not be able to participate in the allocation of a security of limited availability (such as an IPO) for various reasons, including if those new issue shares are provided by another broker or dealer. As a result of the special instruction, Ensemble may not execute client securities transactions with brokers that have been directed by clients until non-directed brokerage orders are completed. Accordingly, clients directing brokerage may not generate returns equal to clients that do not direct brokerage.

Due to these circumstances, there may be a disparity in commission rates charged to a client who directs Ensemble to use a particular broker and performance and other differences from other similarly managed accounts. Clients who direct brokerage should understand that similar brokerage services may be obtained from other broker-dealers at lower costs and possibly with more favorable execution.

BEST EXECUTION POLICY

In selecting broker-dealers, Ensemble's primary objective is to obtain the best execution. Expected price, giving effect to brokerage commissions, if any, and other transaction costs, are principal factors, but the selection also takes account of other factors, including the execution, clearance and settlement capabilities of the broker-dealer, the broker-dealer's reliability and financial stability, the size of the particular transaction and its complexity in terms of execution and settlement, the market for the security, the value of any research and other brokerage

services provided by the broker-dealer, and the cost incurred by placing prime brokerage trades in client accounts.

Ensemble reviews transaction results periodically to determine the quality of execution provided by the various broker-dealers through whom Ensemble executes transactions on behalf of clients.

SOFT DOLLAR ARRANGEMENTS AND POTENTIAL CONFLICTS

Ensemble's consideration of the value of these factors will generally be subject to the criteria for availability of the safe harbor provided by Section 28(e) of the Securities Exchange Act of 1934 and, subject to those criteria (particularly, Ensemble's determination that the commissions are reasonable in light of all the brokerage and other products and services provided), in some cases commissions paid to a particular broker-dealer may exceed amounts another broker-dealer might charge.

Research products and services provided to Ensemble may include research reports on particular industries and companies, economic surveys, data and analyses, recommendations as to specific securities, financial publications, and other products or services that provide lawful and appropriate assistance to Ensemble in the performance of its decision-making responsibilities. Ensemble will generally use such products and services to service all of Ensemble's accounts, sometimes including accounts other than those that pay commissions to the broker-dealer providing the products or services.

Although it does not currently do so, or contemplate doing so, in the future Ensemble could also receive and use other types of products and services both to assist Ensemble in making investment decisions for clients and for other purposes. If that were to occur, Ensemble would make a reasonable allocation of the cost so that Ensemble's clients would bear only the cost of the services used in making investment decisions and Ensemble would bear the cost of the services used for other purposes, unless after adequate disclosure clients approve use of their commission dollars for additional uses. There is a conflict of interest in that Ensemble would have an incentive to designate as great a portion of such cost as assisting Ensemble in making investment decisions as possible in order to minimize the portion that must be paid by Ensemble directly.

Ensemble will periodically consider the amount and nature of the research products and services provided by brokers as well as the extent to which such products and services are relied upon, and will attempt to allocate a portion of its brokerage business on the basis of that consideration. In addition, broker-dealers sometimes suggest a level of business they would like to receive in return for the various services they provide. Actual brokerage business received by any broker-dealer could be less than the suggested allocations, but also could exceed the suggestions, because total brokerage is allocated on the basis of all the considerations described above. In no instance will a broker-dealer be precluded from receiving business simply because it has not been identified as providing research products and services, although Ensemble may not be willing to pay the same commission to such broker as Ensemble would have paid had the broker provided research products and services.

AGGREGATION OF TRADES AND POTENTIAL CONFLICTS

Ensemble is authorized to aggregate transaction orders on behalf of multiple clients and to allocate the securities or proceeds therefrom on an average price basis among the various participants in the aggregated transactions.

While Ensemble believes combining transaction orders in this way should, over time, be advantageous to all participants, in particular cases the average price could be less advantageous to a particular client than if such client had been the only client effecting the transaction or had completed its transaction before the other participants. There may be circumstances in which transactions on behalf of Ensemble or its associated persons may not, under certain laws and regulations, be aggregated with those of some of Ensemble's other clients.

When orders are aggregated, the price paid by each account is the average price of the order. Transaction costs are allocated to each client by the client's custodian according to the client's custodial agreement. It is our policy that trades are not allocated in any manner that favors one group of clients over another. Client transactions may be aggregated according to custodial relationship in consideration of "trade away" charges that may be imposed if trades are directed to a non-custodial broker-dealer for execution. Aggregated trades placed with different executing brokers may be priced differently.

On occasion, Ensemble may participate in purchasing securities through an initial public offering, or "IPO." If such an IPO is only available in limited quantities at the desired price, Ensemble follows allocation guidelines to allocate the IPO (or other "hot stock" offerings) among client accounts as follows:

- When the Firm participates in IPOs, it will review its client accounts to determine for which accounts IPO allocations are appropriate. Generally, the Firm allocates IPOs to the account of clients whose investment experience, net worth, investment strategies and risk tolerance are suitable for IPO investments and who have available resources to invest.
- If only a partial fill of an IPO is obtained, allocation amongst eligible accounts follows a random selection protocol.
- Client accounts whose investment strategies include IPO investments generally will be allocated IPOs in a manner that permits the accounts to be treated fairly over time. No client account or group of accounts will be preferred over other accounts.

ALLOCATION OF OPPORTUNITIES AND POTENTIAL CONFLICTS

Because we manage more than one client account, a conflict of interest could arise related to the allocation of investment opportunities among all accounts managed by the Firm. We attempt to resolve all such conflicts in a manner that is generally fair to all of clients over time. We may give advice and take action with respect to any of our clients that may differ from advice given

or the timing or nature of action taken with respect to any other client based upon individual client circumstances. It is our policy, to the greatest extent practicable, to allocate investment opportunities over a period of time on a fair and equitable basis relative to all clients. The Firm is not obligated to acquire for any client account any security that the Firm or its owners, officers, employees or affiliated persons may acquire for their own accounts or for the account of any other client, if in the discretion of the portfolio managers, based upon the client's financial condition and investment objectives and guidelines, it is not practical or desirable to acquire a position in such security for that account.

Item 13 REVIEW OF ACCOUNTS

Ensemble monitors client holdings and portfolios as part of its ongoing wealth/investment management process. All client accounts are reviewed on a continuous basis by the Firm's portfolio managers for consistency with investment guidelines, investment restrictions, investment objectives and risk tolerance established by the client. Reviews include efforts to identify present portfolio holdings which might be overvalued and to focus on new investment opportunities. Additionally, client holdings are reviewed in response to changes in the financial markets, changes in the Firm's investment strategy and/or changes in individual client circumstances.

The Firm consults with each client upon request to review the client's account and update client investment goals and restrictions, if necessary. Clients are encouraged to immediately notify their portfolio manager of any material change in their personal and/or financial situation.

Clients receive written reports quarterly consisting of portfolio appraisals. The appraisals include detailed information regarding each holding (*i.e.* amount held, cost basis, current market price and aggregate market value). Accounts which are not tax exempt also receive annual summaries of realized capital gains and losses.

Item 14 CLIENT REFERRALS AND OTHER COMPENSATION

Ensemble is not a party to any arrangements whereby it is obligated to pay referral fees to any third party firms or individuals for recommending the Firm to prospective clients, nor is the Firm or its employees paid referral fees by any third party for referring clients to their businesses. We do not direct brokerage transactions to any broker-dealer in exchange for receiving client referrals.

We receive an economic benefit from Schwab in the form of the support products and services it makes available to us because our clients maintain their investment accounts with Schwab. These products and services and related conflicts of interest are described in Item 12, above. The availability to us of Schwab's products and services is not based on us providing particular investment advice to our clients nor on our purchase of particular securities on their behalf.

Item 15 CUSTODY OF CLIENT ASSETS

Ensemble is deemed to have custody of client funds by virtue of its direct deduction of advisory fees from client investment accounts. The Firm however, does not maintain physical custody of client funds or securities. Clients are required to set up their investment accounts with a “qualified custodian,” namely a broker dealer, bank or trust company. Ensemble is unable to take even temporary possession of client assets for the purpose of transferring them to the client’s account. Each client has a direct relationship with their custodian and is responsible for making deposits to and withdrawals from their account as necessary. The Firm is given the authority to receive payment of its management fees directly from the account, but it is not authorized to make any other withdrawals or to transfer money out of the account to a third party.

Schwab obligates itself to send account statements directly to the client (or to an independent third party representative designated by the client), no less than quarterly, showing all funds and securities held, their current value and all transactions executed in the client’s account, including the payment to Ensemble of its investment management fees.

We send a separate report on each fee paying account at least once a year, showing the current asset allocation of the account and a summary of assets held in the account. Clients are advised to regularly compare the assets and holdings listed on their Ensemble account report with those listed on the custodian’s account statements.

Item 16 INVESTMENT DISCRETION

Clients appoint Ensemble as their investment advisor and grant full trading and investment authority over their assets at the time they establish their investment accounts at Schwab. Subject to the Firm’s investment strategy and the client’s investment objectives, our portfolio managers are given full discretion to determine:

- Which securities to buy;
- Which securities to sell;
- The amount of securities to buy or sell; and
- Which broker to use to execute each transaction.

This discretion may be limited by client investment guidelines and by any investment restrictions set by the client. Where possible, the Firm will negotiate the commission rates at which transactions for client accounts will be effected, with the objective of attaining the most favorable price and market execution for each transaction.

Item 17 VOTING CLIENT SECURITIES

Ensemble accepts and exercises proxy voting authority from clients with respect to client securities. We have adopted written proxy voting policies and procedures to ensure that any potential conflicts of interest are identified and that proxies are voted in the best interest of its clients. Ensemble proxy voting policies and procedures are provided to any of its clients upon written request.

We rely on a third party proxy administration firm, Broadridge Financial Solutions Inc., to electronically file and record each proxy vote decision. Glass Lewis, a leading provider of global proxy research, provides Ensemble with a custom Investment Manager Policy containing proxy voting recommendations. Client proxies are voted in accordance with this policy unless, Ensemble determines from its own internal review to deviate from the Glass Lewis recommendations.

Item 18 FINANCIAL INFORMATION

Ensemble does not require or solicit prepayment of its management fees from clients six or more months in advance. There are no adverse conditions related to the Firm's finances that are likely to impair its ability to meet its contractual commitments to its clients. The Firm has not been the subject of a bankruptcy filing in the last ten years, or ever.

INDEX OF ERISA REQUIRED DISCLOSURES

Ensemble Capital Management, LLC may provide investment management services to retirement plans governed by the Employee Retirement Investment Security Act (“ERISA”). ERISA regulations require that specific disclosures be made to the ERISA plan fiduciary that is authorized to enter into, or extend or renew, an agreement with the Firm to provide these services. The following Index identifies the disclosures required and the location where plan representatives may find them. It is intended to assist ERISA Plan representatives with compliance with the service provider disclosure regulations under section 408(b)(2) of ERISA. Any questions concerning this guide or the information provided regarding our services or compensation should be addressed to our Chief Compliance Officer at the number noted on the cover page of this ADV Part 2A.

Required Disclosure	Location of the Required Disclosure *
Description of the services that Advisor will provide to covered ERISA plans	Item 4 of this Form ADV Part 2A and Paragraphs 1, 2, 4 and 5 of the investment management agreement signed with our Firm.
Statements that the services that Advisor will provide to covered ERISA plans will be as an ERISA fiduciary and registered investment adviser	Item 4 of this Form ADV Part 2A and Paragraph 15 of the investment management agreement signed with our Firm.
Description of the direct compensation to be paid to Advisor	Item 5 of this Form ADV Part 2A and Paragraph 6 of the investment management agreement signed with our Firm.
Description of the indirect compensation Advisor might receive from third parties in connection with providing services to covered ERISA plans, if any	Items 10, 12 and 14 of this Form ADV Part 2A, if applicable.
Description of the compensation to be shared between Advisor and any third party or any affiliated entity, if any	Items 5, 10, 12 and 14 of this Form ADV Part 2A, if applicable.
Compensation that Advisor will receive upon termination of its agreement to provide investment management services, if any	Item 4 of this Form ADV Part 2A.
The manner in which the compensation from the client plan will be received by Advisor.	Item 5 of this Form ADV Part 2A.
* Client-prepared investment management agreements may or may not contain disclosures or contain them in different locations in the agreement.	