



ENSEMBLE CAPITAL

Item 1 Cover Page

FORM ADV PART 2A* BROCHURE

March 29, 2023

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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 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

The following material changes have been made to this brochure dated March 30, 2022:

Item 4 - Advisory Business IRA Rollovers

Information was added regarding retirement account rollovers Ensemble's status as a Fiduciary under ERISA and/or the Internal Revenue Code

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

Added risk factors related to Counterparty, Custody and Bank deposit risks.

Pursuant to SEC Rules, Ensemble will ensure that clients receive a summary of any material changes to this Disclosure Brochure within 120 days after the end of Ensemble's fiscal year, along with a copy of this Disclosure Brochure or an offer to provide the full Disclosure Brochure. Additionally, should the Firm make material changes to this Disclosures Brochure during the year, we will send you a summary of our "Material Changes" under separate cover, along with the same offer. For more information about the firm, please visit www.ensemblecapital.com. Registration and other important information about Ensemble and its investment adviser representatives is available on the SEC's website at www.adviserinfo.sec.gov.

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Item 4 **ADVISORY BUSINESS**

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

Assets Under Management - Discretionary Assets:	\$1,410,951,353
(As of December 31, 2022) - Non-discretionary Assets:	\$ 0.00
Total Assets Under Management:	\$1,410,951,353

INVESTMENT MANAGEMENT SERVICES

Ensemble Capital Management, LLC (“Ensemble”) offers comprehensive wealth management services to clients, which are designed to meet the unique financial needs of each client. Our wealth management services include developing a financial planning and investment management strategy based on a client’s overall financial objectives, goals, and risk tolerance. Clients are not obligated to obtain comprehensive wealth management services from us, as we do provide investment management without any financial planning for certain types of clients and/or upon a client’s request.

When providing investment management, Ensemble generally manages clients’ portfolios on a continuous discretionary basis, investing in equity, fixed income, and cash equivalent marketable securities. Although clients differ in terms of their risk tolerance, expected portfolio returns, income requirements, and preferred asset classes, generally Ensemble’s core investment management style seeks capital appreciation. Please refer to Item 8 below for further information.

As part of our wealth management services, Ensemble conducts a detailed analysis of a client’s income requirements, tax status, risk and volatility preferences, and other objectives and preferences. From there, Ensemble creates and manages a portfolio of securities tailored to the client’s needs.

Ensemble does not undertake to provide clients with legal, tax or accounting advice and clients are advised to consult their own attorneys and accountants for any such advice. Upon client request, Ensemble will work with a client’s attorneys and/or accountants to make sure that our advice is fully aligned with their expertise and advice.

Ensemble generally requires clients to place a minimum of \$3,000,000 under management with the Firm. Multiple client accounts will be aggregated to meet these minimums. Under certain circumstances, and in its sole discretion, the Firm has in the past and may in the future, waive or alter the minimum account size requirement for any client.

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

¹ Registration with the SEC does not imply any level of skill or training.

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 can impair the achievement of the client's investment objectives.

Accounts can be opened, and additions made to an account in cash or securities. Ensemble generally liquidates any "legacy" securities (*i.e.*, securities that have been transferred in) that do not fit within the determined strategy. However, Ensemble does consider the tax ramifications to clients, so legacy securities will not be sold until we have an understanding of the client's tax situation and the tax effect such sale would have for the client. We also will hold legacy securities upon client request. 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 wealth 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 can include some or all the following:

- Comprehensive financial reporting and analysis
- Charitable planning
- Retirement planning
- Equity compensation and stock option analysis
- Insurance analysis
- Education planning
- Analysis and review of estate tax strategies
- Tax coordination
- Coordination with client's attorney and accountant on trust and estate strategies
- Consultation on and implementation of gifting strategies
- Estate Planning

Clients are free at all times to accept or reject any of Ensemble's long planning recommendations and is under no obligation to utilize Ensemble to implement any such recommendations. However, since Ensemble is providing financial planning to clients as part of our wealth management services, we do implement recommendations once approved by the client, unless we are told otherwise.

IRA ROLLOVERS

When appropriate, we will recommend that you roll over assets in a current retirement plan account (such as a 401(k) account or an individual retirement account) to another retirement plan account that we will manage on your behalf. In certain such circumstances, a conflict of interest exists as we have an incentive to recommend the retirement plan account rollover because we can earn more compensation as a result of the rollover recommendation. Nonetheless, we follow a process designed to ensure that such retirement plan rollover is in your best interest, including

comparing your current retirement plan account (where information is available to us) to the retirement plan account being recommended to you.

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. Clients may implement restrictions on investing in certain securities or types of securities. All restrictions must be provided to the Firm in writing. If a client requests restrictions that Ensemble believes would limit or prevent us from meeting the client's overall investment goals, the Firm reserves the right to not accept and/or terminate management of the client's account.

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 can, 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. In addition, Ensemble can report to the client's custodian, state securities regulator and/or state adult protective services any incident where the Firm has a reasonable belief that financial exploitation of client has been attempted or has occurred.

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 and other types of clients that employ a similar investment strategy to that of the Fund, a potential conflict of interest exists in connection with the day-to-day management of the Fund and the individual accounts. However, the Firm manages the Fund's portfolio assets based on the specific investment objectives and restrictions as outlined in the Fund's prospectus and statement of additional information ("offering documents"), and not on the individual needs and objectives of the Fund's shareholders. Therefore, prior to investing, shareholders should thoroughly review the Fund's offering documents for a complete description of the investment objective and risks pertaining to the Fund and to determine whether the Fund is suitable for investment.

ARRANGEMENT WITH THIRD PARTIES FOR DATA USE

Ensemble has entered into a written agreement with an unaffiliated data aggregation and analytics software provider ("Software Provider") and an unaffiliated third-party investment adviser ("Third Party Adviser"), under which Ensemble grants both unaffiliated parties the right

to utilize Ensemble’s investment and securities data within the software for research and/or trading purposes. As outlined in the agreement, the Software Provider will transmit the data to the Third-Party Adviser on a lag basis and such data will be anonymized. In exchange for the right to use the data, Ensemble receives compensation, which is outlined in Item 5 and 6 below.

INVESTMENT MANAGEMENT AGREEMENT

Prior to engaging Ensemble to provide services, clients are required to enter into a written investment management agreement with the Firm, which outlines the terms and conditions under which Ensemble will render our services. Either party may terminate the investment management agreement at any time upon 30-day written notice to the other party. Any prepaid unearned fees owed to the client will be refunded. Neither Ensemble nor the client may assign the agreement without the consent of the other party. This does not prevent an assignment by the Firm in connection with any transaction which does not result in a change of its actual control or management, as defined by applicable law.

In accordance with Rule 204-3 under the Investment Advisers Act of 1940, as amended (“Advisers Act”), Ensemble will provide a disclosure brochure (Form ADV Part 2A) and one or more brochure supplements (Form ADV Part 2B and Form CRS) to each client or prospective prior to or contemporaneously with the execution of an investment advisory agreement.

Item 5 FEES AND COMPENSATION

INVESTMENT MANAGEMENT FEES

The following is the basic fee schedule for our investment management services. These fees are negotiable in the sole discretion of the Firm, and arrangements with any particular client can vary. Ensemble does not charge a minimum fee, but we do have clients with different fee structures, which is mainly due to complexity of services, type of clients, historical fee schedules, and/or amount of assets being managed. In addition, Ensemble’s investment management fees charged to clients can be changed upon 30-day notice to the affected clients. Ensemble also reserves the right to waive fees for certain friends and family of the firm.

Account Size	Annual Fees
First \$10 million	1.00%
Amounts in excess of \$10 million & up to \$25 million	0.80%
Amounts in excess of \$25 million & up to \$100 million	0.60%
Amounts in excess of \$100 million	0.50%

For clients that are charged a tiered fee, when determining “Account Size” for annual fee percentage amounts, Ensemble will consider all accounts managed by the Firm that belong to certain familial relations of the client, which is typically referred to as “householding”. Specifically, the total market value (as defined below) of a client’s account(s) will be aggregated with the total market values of all managed accounts belonging to a client’s spouse, custodial accounts for minor children who reside at the same address of client, and any trust assets where the trustees, trustors and current beneficiaries all reside at the same address as client (collectively, a “household”). Clients are required to notify Ensemble of any such “household”

relationships. Ensemble reserves the right to include additional related accounts at the firm's discretion.

For valuation and billing data, Ensemble uses a third-party service provider, which receives and reconciles daily account holdings, valuations, and securities pricing data electronically from clients' custodians. Ensemble bills investment management clients, quarterly in advance. The Firm's investment management fees are calculated based on the total market value of a managed account, as of the last day of each calendar quarter. The "total market value" of an account includes the value of all securities held (based on trade date), cash and cash equivalents, dividend and interest accruals, and any margin balance pertaining to the account that is \$100,000 or more. The third-party service provider reconciles securities prices against the prices received from our main custodian, Charles Schwab & Co., Inc. ("Schwab"), and will use Schwab's price when there is any discrepancy between custodian prices. Due to that, along with other factors such as timing of transactions, calculations and billing, the total market value of an account for fee billing purposes can be different (in some cases higher) than the market value of the account as reflected on the custodian's account statement. Clients should be aware that Ensemble is not liable for any pricing errors made by clients' custodians.

Should a client open an account during the quarter, investment management fees will be prorated for managed assets held for a partial quarter based on the number of days that the account was open (*i.e.*, date cash/assets received in the account) during the quarter. In the event that Ensemble's services are terminated mid-quarter, the fee shall be prorated through the date of termination as defined in the client agreement and any pre-paid unearned fees will be promptly refunded to the client. Also, any single day addition to an account that is over \$100,000 will be prorated and billed on the next invoice. Fees are not prorated for any withdrawals from an account.

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 usually 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.

There are times when a client decides to use margin in their account. Use of margin in an investment advisory account can increase a client's asset-based investment management fee (as outlined above). In addition, clients will be charged margin interest by the custodian on the debit balance in their custodial account. Notably, the increased investment management fee that a client pays presents a conflict since it creates an incentive for Ensemble to recommend the use of margin. However, please note that using margin is not suitable for all investors; the use of margin increases leverage in a client's account and therefore increases overall risk. Please refer to Item 8 below for information on the risks pertaining to margin accounts.

COMPENSATION FOR DATA PROVISION

As outlined in Item 4 above, Ensemble has an arrangement with a Software Provider and a Third-Party Adviser, under which Ensemble receives compensation for providing access to investment and securities data for use in research and trading. Under this arrangement,

Ensemble is paid fees based on participation and performance, and receives credits on the cost of software provided by the Software Provider. All fees paid to Ensemble under the arrangement are determined, calculated, and paid by the Third-Party Adviser.

The fees and credits are paid to Ensemble so long as the firm meets the qualification criteria outlined in the agreement.

THE ENSEMBLE FUND MANAGEMENT FEES AND OTHER COSTS

The Firm charges the Ensemble Fund a 1.0% annual investment management fee, which is calculated based on the average value of the Fund's daily net assets and paid monthly in arrears.

When deemed suitable, Ensemble will recommend investment in the Fund to certain investment management clients. When this occurs, a potential conflict exists since Ensemble receives management fees for managing the Fund and a client's account assets. To address the potential conflict, the portion of a client's account that is invested in the Fund will not be included in account assets when calculating Ensemble's investment management fees. However, clients invested in the Fund will be subject to the fees and expenses applicable to all shareholders of the Fund, which include the Fund's advisory fee paid to Ensemble. Additional information on fees and expenses is detailed in the Fund's prospectus and statement of additional information, which should be read carefully before investing. No performance fees are charged to this mutual fund.

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 Ensemble's investment management fee. Ensemble does not directly or indirectly receive any portion of the fees charged by custodians and brokers.

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. Since we invest clients in various mutual funds, including the Ensemble Fund, we believe it's important for clients to understand that in addition to the investment management fee charged by Ensemble Capital, any clients invested in these types of securities

indirectly pay for the expenses and advisory fees charged by the funds to its shareholders. The exception is for clients invested in the Ensemble Fund. As outlined in the section above titled “The Ensemble Fund Management Fees and Other Costs”, we do not charge investment management fees on assets in a client’s account that are invested in the Fund.

All mutual funds incur operating expenses in connection with the management of the fund. Mutual funds pass some or all of these expenses through to their shareholders (the individual investors in the funds) in the form of management and administrative fees. The 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.

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.

Clients should carefully review the fees charged by brokers, custodian(s), and any mutual funds, ETFs, and/or alternative funds in which the client’s assets are invested, together with the fees charged by Ensemble, to fully understand the total account costs and to evaluate the advisory services being provided.

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 charges a 1.0% management fee, as outlined in Item 5 above. 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.

As outlined in Item 5 above, Ensemble Capital is paid a performance-based fee under a data provision arrangement. Clients should understand that certain conflicts of interest exist with performance fee arrangements, which include the fact that they can create an incentive for the adviser to make investments that are more risky or more speculative than might be the case in the absence of a fee based on performance. In addition, charging performance-based fees could incentivize an adviser to trade more frequently. However, the performance fee received by Ensemble under the data provision arrangement is not based on any trading performed by Ensemble and is not determined or calculated by Ensemble. Please refer to Item 5 above for additional information.

Notably, this is the only performance-based fee received by Ensemble, as our policy is to not charge performance fees to our clients.

Item 7 TYPES OF CLIENTS

Our clients include individuals, families, trusts, estates, foundations and other entities. The Firm also serves as investment adviser to an affiliated registered investment company, the Ensemble Fund. We have established a \$3 million minimum value of assets for opening an individual client account. However, Ensemble has in the past and may in the future reduce or waive the minimum.

Prior to engaging Ensemble to perform investment management services, each potential 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 can occur, and 3) that over time a client's manage account value can fluctuate and at any time be worth more or less than the amount invested.

If a client's account is a pension or other employee benefit plan governed by the Employee Retirement Income Security Act of 1974, as amended ("ERISA"), Ensemble is typically deemed a fiduciary to the plan. In providing investment management services, the sole standard of care imposed upon the Firm is to act with the care, skill, prudence and diligence under the circumstances then prevailing that a prudent man acting in a like capacity and familiar with such matters would use in the conduct of an enterprise of a like character and with like aims. The Firm will provide certain required disclosures to the "responsible plan fiduciary" (as such term is defined in ERISA) in accordance with Section 408(b)(2), regarding the services Ensemble provides and the direct and indirect compensation we receive by the ERISA client. Generally, these disclosures are contained in this Form ADV Part 2A, the investment management agreement and/or in separate ERISA disclosure documents and are designed to enable the ERISA plan's fiduciary to: (1) determine the reasonableness of all compensation received by the Firm; (2) identify any potential conflicts of interests; and (3) satisfy reporting and disclosure requirements to plan participants.

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 either a randomization or pro-rata process to select participating accounts so that all eligible accounts are selected from fairly. Please refer to Item 12 for additional information on allocation of IPOs.

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. Please review the Fund’s prospectus for detailed disclosures regarding its investment strategy and methodologies, along with associated risks.

INVESTMENT RISKS ASSOCIATED WITH INVESTMENT MANAGEMENT SERVICES

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 a client can lose a part or all of his or her initial investment, which clients should be prepared to bear. Ensemble’s investment recommendations are subject to various market, currency, economic, political and business risks, and such investment decisions are not always profitable. There can be no assurance that a client’s objectives and goals will be obtained and no inference to the contrary should be made.

Here are some of the general risks associated with our core investment strategy and the types of securities we utilize:

Short-term Purchase Risk – While Ensemble generally purchases securities with the intent to hold them for more than a year, we do 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 Risk– 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 can exchange to lower or higher duration bonds or to another asset class due to interest rate risk that we believe could affect investment performance.

Many bonds are rated by a third party Nationally Recognized Statistical Rating Organization (NRSRO), for example, Moody's Investor Services or Standard & Poor's Inc. While ratings may assist investors to determine the creditworthiness of the issuer, they are not a guarantee of performance. U.S. Treasury bills, notes and bonds are guaranteed by the full faith and credit of the United States and therefore are deemed to carry no risk of default.

Inflation Risk - 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.

For bonds, interest rate risk is commonly measured by a bond's duration; the greater a bond's duration, the greater the impact on price of a change in interest rates. Investors can incur a gain or loss from bonds sold prior to the final maturity date.

Credit Risk - The risk that principal and/or interest on a fixed income investment will not be paid in a timely manner or in full due to changes in the financial condition of the issuer. Generally, the higher the perceived credit risk, the higher the rate of interest investors will receive on their investment.

Call Risk - The risk that a bond will be called by its issuer. A callable bond has a provision which allows the issuer to purchase the bond back from the bondholders at a predetermined price. Generally, issuers call bonds when prevailing rates are lower than the cost of the outstanding bond. Call provisions allow an issuer to retire high-rate bonds on a predefined call schedule.

Prepayment Risk - Some types of bonds are subject to prepayment risk. Similar to call risk, prepayment risk is the risk that the issuer of a security will repay principal prior to the bond's maturity date, thereby changing the expected payment schedule of the bonds. Prepayment risk is particularly prevalent in the mortgage-backed bond market, where a drop in interest rates can trigger a refinancing wave. When investors in a bond comprised of the underlying pool of mortgages receives his or her principal back sooner than expected, they may be forced to reinvest at prevailing, lower rates.

Reinvestment Risk - The risk that interest and principal payments from a bond will be reinvested at a lower yield than that received on the original bond. During periods of declining interest rates, bond payments can be invested at lower rates; during periods of rising rates, bond payments can be invested at higher rates.

Price Fluctuation Risk - 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.

Short Sale Trading Risk – 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.

Option Trading Risk –Option securities are complex derivatives of equity or other types of securities or indexes that incorporate certain leverage characteristics and as such carry an increased risk of investment loss. Below are some of the risks pertaining to investing in options:

- When writing covered call options to produce income, there can be times when the underlying stock is “called” (call option contract exercised or assigned) by the investor that purchased the call option. That means the client would be required to sell the underlying security at the exercise (pre-determined) price to that investor.
- Clients are usually required to open a margin account in order to invest in options, which carries additional risks and would result in margin interest costs to the client.
- Option positions can be adversely affected by company specific issues (the issuer of the underlying security) which include but are not limited to bankruptcy, insolvency, failing to file with regulatory bodies, being delisted, having trading halted or suspended, corporate reorganizations, asset sales, spin offs, stock splits, mergers and acquisitions. In addition, market related actions, political issues, and economic issues can adversely affect the option market. These factors could restrict, halt, suspend, or terminate option positions written (sold) or purchased.
- Changes in value of the option may not correlate with the underlying security or index, and the account could lose more than the principal amount invested.

Options involve risk and are not suitable for all clients. Therefore, a client should read the option disclosure document, “Characteristics and Risks of Standardized Options”, which can be obtained from any exchange on which options are traded, at www.optionsclearing.com, or by calling 1-888-OPTIONS, or by contacting your broker/custodian.

Alternative Asset Class Risk –. 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.

IPO Investment Risk – 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.

Equity Risk: Historically, the equity markets have moved in cycles, and the value of equity securities can fluctuate significantly from day-to-day. Individual companies can report poor results or be negatively affected by industry and/or economic trends and developments. The prices of securities issued by such companies can suffer a decline in response. These factors contribute to price volatility.

Business Risk: This risk is associated with a particular industry or a particular company within an industry. For example, oil-drilling companies depend on finding oil and then refining it, a lengthy process, before they can generate a profit. They carry a higher risk of profitability than

an electric company, which generates its income from a steady stream of customers who buy electricity no matter what the economic environment is like.

Political and Legislative Risk: Companies face a complex set of laws and circumstances in each country in which they operate. The political and legal environment can change rapidly and without warning, with significant impact, especially for companies operating outside of the United States or those companies who conduct a substantial amount of their business outside of the United States.

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.

Liquidity Risk - The risk stemming from the lack of marketability of an investment that cannot be bought or sold quickly enough to prevent or minimize a loss. Liquidity risk is typically reflected in a wide bid-ask spread or large price movements. It also is a risk associated with an investment in private funds.

Margin Risk - Clients with margin accounts should be aware that there are a number of additional risks that need to be considered when trading securities on margin. The risks associated with margin include, but are not limited to, the following:

- Clients can lose more assets than deposited in the margin account. A decline in the value of securities that are purchased on margin can require a client to provide additional funds to the brokerage firm that has made the loan to avoid the forced sale of those securities or other securities in a client's account.
- The lending brokerage firm is able to force the sale of securities in a client's account. If the equity in a client's account falls below the maintenance margin requirements under the law – or the lending brokerage firm's higher "house" requirements – the brokerage firm can sell the securities in a client's account to cover the margin deficiency. A client will also be responsible for any short fall in their account after such a sale. It is important that clients take time to learn about the risks involved in trading securities on margin, and clients should consult with Ensemble's advisers regarding any concerns they may have with their margin accounts.

Counterparty Risk - The Firm and/or its Clients may be subject to credit risk with respect to the counterparties to instruments entered into directly by the Clients or held by the Clients' underlying investments. The Funds will also be subject to the risk that a counterparty may become unwilling or unable to meet its obligations prior to settlement. The Clients may also be exposed to the credit risk of counterparties through a wide range of activities that occur in the normal course of the activities of the Clients, including through service providers, banks, brokers, insurance providers, trading counterparties, co-investors, portfolio companies, prospective portfolio companies, or other entities that the Clients will have financial exposure to. If a counterparty becomes bankrupt or otherwise fails to perform its obligations under a contract

due to financial difficulties, the Clients may experience significant delays in obtaining any recovery under the contract in a bankruptcy or other reorganization proceeding. The Clients may obtain only a limited recovery or may obtain no recovery in such circumstances. The Firm is not restricted from dealing with any particular counterparty or from concentrating any or all of its transactions with a single counterparty. The ability of the Firm to transact business with any one or number of counterparties, the lack of any independent evaluation of such counterparties' financial capabilities, and the absence of a regulated market to facilitate settlement may increase the potential for losses by the Clients, especially during unusually adverse market conditions.

Custody Risk - The Firm is required to maintain certain Client assets at a qualified custodian. Clients may incur a loss on securities and funds held in custody in the event of a custodian's or sub-custodian's insolvency, negligence, fraud, poor administration, or inadequate recordkeeping. Custodial assets maintained at a bank do not typically become part of a failed bank's estate; however, the Firm's operations could be impacted by the bank's insolvency in that there may be a delay in trade settlement, delivery of securities, or other similar circumstance. Establishing multiple custodial relationships could mitigate custodial risk in the event of a bank failure.

Bank Deposits Risk - Deposits maintained at a Federal Deposit Insurance Corporation ("FDIC") insured bank are covered up to \$250,000 per depositor, per insured bank, for each account ownership category, in the event of a bank failure. Any deposits over \$250,000 in cash at a single bank may be lost in the event that the bank fails. Further diversifying banking relationships could serve to minimize the potential uncertainty and destabilizing effect on the Firm's operations due to concern regarding the financial viability of a single banking institution. In addition, valuation of companies may experience significant price declines, volatility, and liquidity concerns as a result of short- and long-term financing to continue operations at normal levels.

Pandemic Risk - The recent COVID-19 pandemic has caused and continues to cause disruptions in economies and individual companies and volatility in financial markets throughout the world. The impact of the pandemic and resulting economic disruptions may negatively impact the clients and the performance of their portfolios due to, among other things, (i) interruption of business operations resulting from travel restrictions, reduced consumer spending, and quarantines of employees, customers and suppliers in areas affected by the outbreak, (ii) closures of manufacturing facilities, warehouses and logistics supply chains, and (iii) uncertainty about the duration of the virus' impact on global financial markets. Governments and central banks throughout the world have responded to the pandemic and resulting economic disruptions with a variety of fiscal and monetary policy changes, including direct capital infusions into companies and other issuers, new monetary policy tools, and lower interest rates, but the ultimate impact of these efforts is uncertain. It is not possible to determine the duration or severity of the disruption in financial markets or the long-term economic impact of the COVID-19 pandemic, or other future epidemics or pandemics, which may adversely affect the clients' performance and investment strategies and significantly reduce available investment opportunities.

Cybersecurity Risk - Ensemble and its service providers on whom it relies depend on complex information technology and communications systems to conduct business functions. These systems are subject to a number of different threats or risks that could adversely affect clients and

their managed assets, despite the effort, Ensemble and its service providers adopt technologies, processes, and practices intended to mitigate these risks and protect the security of their computer systems, software, networks, and other technology assets, as well as the confidentiality, integrity, and availability of information belonging to the clients and/or their investors. For example, unauthorized third parties may attempt to access, modify, disrupt the operations of or prevent access to these systems of Ensemble and/or its service providers on whom Ensemble relies for data within these systems. Third parties may also attempt to fraudulently induce employees, customers, third-party service providers, or other users of systems to disclose sensitive information and gain access to Ensemble's data or that of its clients. A successful penetration of the security of Ensemble's systems or its service providers on whom Ensemble relies on could result in the loss or theft of a client's data or funds, the inability to access electronic systems, loss or theft of proprietary information or corporate data, physical damage to a computer or network system or costs associated with system repairs. Such incidence could cause Ensemble or its service providers on whom it relies on to incur regulatory penalties, reputational damage additional compliance costs, or financial loss.

Business Continuity Risk - Ensemble has adopted a business continuation strategy to maintain critical functions in the event of a partial or total building outage affecting our offices or a technical problem affecting applications, data centers, or networks. The recovery strategies are designed to limit the impact on clients from any business interruption or disaster. Nevertheless, our ability to conduct business can be curtailed by a disruption in the infrastructure that supports our operations.

Ensemble does not make any guarantee that our investment services or methods of analysis and research can result in positive returns or insulate clients from losses due to market corrections or declines.

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. As outlined in Item 12 below, we recommend that our client's 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.

Although we refer our clients to other professionals from time to time, 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.

Ensemble serves as the investment adviser to the Ensemble Fund, an affiliated open-end investment company registered under the Investment Company Act of 1940. There exist conflicts of interest due to this affiliation, which the Firm addresses in a number of ways. Please refer to Items 5, 11, & 12 for information regarding these conflicts and how they are addressed.

**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 are allowed to personally invest in the same and different securities that are traded 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 personal trading restrictions upon supervised persons associated with the Firm that are deemed to "access persons" (as such term is defined in our Code):

- Access persons and their household members should not benefit from any price movement caused by client transactions or the Firm's recommendations regarding client security transactions.
- Certain personal trades by access persons and those of their household members must be submitted for pre-approval by the Firm. 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.
- Access persons and their household members are required to adhere to any trading restrictions that Ensemble puts into place.
- Access persons must provide quarterly reports of all personal trades placed in their personal accounts and those of their household members, along with annual reporting of all securities holdings in those accounts.

All 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.

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.

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 will be provided to clients and prospective clients upon request.

Similar Securities: There are times when the Firm will transact in the same or similar securities for the Ensemble Fund at the same time as it affects transactions for advisory clients. Additionally, officers, directors, employees, and associated persons, of the Firm invest in the Fund. This could deem employees to be indirectly trading before other advisory clients during times when the Firm aggregates trades for clients, including the Fund. This creates a potential conflict of interest. To address this conflict of interest, the Firm has written policies and procedures regarding aggregation and allocation of trades (see Item 12 below for further information) and a written Code of Ethics, as summarized above.

Item 12 BROKERAGE PRACTICES

RECOMMENDATION OF SCHWAB AS CUSTODIAN AND EXECUTING BROKER

Our clients’ assets must be maintained in an account at a “qualified custodian”, generally a broker-dealer or bank. Ensemble recommends that clients use Charles Schwab & Co., Inc. (“Schwab”), a registered broker-dealer, member SIPC, as the qualified custodian. 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 will hold your assets in a brokerage account and effect trades in client accounts upon our instruction.

Ensemble does not open the account for clients, although we may assist clients in doing so. Even though clients’ accounts are maintained at Schwab, and we anticipate that certain trades will be placed with Schwab for execution, Ensemble can still use other brokers to execute trades for clients, as described below.

How we select brokers/custodians

Ensemble recommends Schwab, a custodian/broker, to hold clients' assets and execute transactions. When considering whether the terms that Schwab provides are, overall, most advantageous to clients compared with other available providers and their services, we consider a wide range of factors, including:

- Combination of transaction execution services and asset custody services (generally without a separate fee for custody)
- Capability to execute, clear, and settle trades (buy and sell securities for clients' accounts)
- Capability to facilitate transfers and payments to and from accounts (wire transfers, check requests, bill payment, etc.)
- Breadth of available investment products (stocks, bonds, mutual funds, exchange-traded funds [ETFs], etc.)
- Availability of investment research and tools that assist us in making investment decisions
- Quality of services
- Competitiveness of the price of those services (commission rates, margin interest rates, other fees, etc.) and willingness to negotiate the prices
- Reputation, financial strength, security, and stability
- Prior service to us and our clients
- Services delivered or paid for by Schwab
- Availability of other products and services that benefit us, as discussed below (see "Products and services available to us from Schwab")

Your brokerage and custody costs

For our clients' accounts that Schwab maintains, Schwab generally does not charge a separate fee for custody services but is compensated by charging commissions or other fees on trades that it executes or that settle into a client's Schwab account. Certain trades (for example, certain mutual funds and ETFs) do not incur Schwab commissions or transaction fees. Schwab is also compensated by earning interest on the uninvested cash in client's account in Schwab's Cash Features Program. Schwab's commission rates applicable to clients' accounts were negotiated based on the condition that our clients collectively maintain a total of at least \$10 million of their assets in accounts at Schwab. This commitment benefits clients because the overall commission rates paid are lower than they would be otherwise. In addition to commissions, Schwab charges clients a flat dollar amount as a "prime broker" or "trade away" fee for each trade that we have executed by a different broker-dealer but where the securities bought or the funds from the securities sold are deposited (settled) into clients' Schwab account. These fees are in addition to the commissions or other compensation clients pay the executing broker-dealer.

We are not required to select the broker or dealer that charges the lowest transaction cost, even if that broker provides execution quality comparable to other brokers or dealers. Best execution means the most favorable terms for a transaction based on all relevant factors, including those listed above (see "How we select brokers/custodians"). By using another broker or dealer clients may pay lower transaction costs.

Products and services available to us from Schwab

Schwab Advisor Services™ is Schwab's business serving independent investment advisory firms like Ensemble. They provide us and our clients with access to their institutional brokerage

services (trading, custody, reporting, and related services), many of which are not typically available to Schwab retail customers. However, certain retail investors may be able to get institutional brokerage services from Schwab without going through us. Schwab also makes available various support services. Some of those services help Ensemble manage or administer our clients' accounts, while others help us manage and grow our business. Schwab's support services are generally available on an unsolicited basis (we do not have to request them) and at no charge to us. Following is a more detailed description of Schwab's support services:

Services that benefit you

Schwab's institutional brokerage services include access to a broad range of investment products, execution of securities transactions, and custody of client assets. The investment products available through Schwab include some to which we might not otherwise have access or that would require a significantly higher minimum initial investment by our clients. Schwab's services described in this paragraph generally benefit you and your account.

Services that do not directly benefit you

Schwab also makes available to Ensemble other products and services that benefit us but do not directly benefit our clients or their accounts. These products and services assist Ensemble in managing and administering our clients' accounts and operating our Firm. They include investment research, both Schwab's own and that of third parties. We use this research to service all or a substantial number of our clients' accounts, including accounts not maintained at Schwab. In addition to investment research, Schwab also makes available software and other technology that:

- Provide access to client account data (such as duplicate trade confirmations and account statements)
- Facilitate trade execution and allocate aggregated trade orders for multiple client accounts
- Provide pricing and other market data
- Facilitate payment of our fees from our clients' accounts
- Assist with back-office functions, recordkeeping, and client reporting

Services that generally benefit only us

Schwab also offers other services intended to help us manage and further develop our business enterprise. These services include:

- Educational conferences and events
- Consulting on technology and business needs
- Consulting on legal and compliance related needs
- Publications and conferences on practice management and business succession
- Access to employee benefits providers, human capital consultants, and insurance providers
- Marketing consulting and support

Schwab provides some of these services itself. In other cases, it will arrange for third-party vendors to provide the services to Ensemble. Schwab also discounts or waives its fees for some of these services or pays all or a part of a third party's fees. If you did not maintain your account with Schwab, we would be required to pay for those services from our own resources.

Our interest in Schwab's services

The availability of these services from Schwab benefits us because we do not have to produce or purchase them. We do not have to pay for Schwab's services. Schwab has also agreed to pay for certain technology, research, marketing, and compliance consulting products and services on our behalf once the value of our clients' assets in accounts at Schwab reaches certain thresholds.

These services are not contingent upon us committing any specific amount of business to Schwab in trading commissions or assets in custody. The fact that we receive these benefits from Schwab is an incentive for us to recommend the use of Schwab rather than making such a decision based exclusively on your interest in receiving the best value in custody services and the most favorable execution of your transactions. This is a conflict of interest. In some cases, the services that Schwab pays for are provided by affiliate of ours or by another party that has some pecuniary, financial, or other interests in us (or in which we have such an interest). This creates an additional conflict of interest. We believe, however, that taken in the aggregate our recommendation of Schwab as custodian and broker is in the best interests of our clients. Our selection is primarily supported by the scope, quality, and price of Schwab's services (see "How we select brokers/ custodians") and not Schwab's services that benefit only us.

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 will exceed amounts another broker-dealer might charge.

Research products and services provided to Ensemble can 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, including the Fund and to allocate the securities or proceeds therefrom on an average price basis among the various participating accounts 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 purchases securities through an initial public offering, or "IPO." If an IPO is only available in limited quantities at the desired price, Ensemble follows allocation guidelines to allocate the IPO shares among participating client accounts as follows:

- When the Firm participates in IPOs, it will review its client accounts (including the Fund) 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 or pro-rata protocol, based on what is determined to be best for participating clients.
- 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 our clients over time. We give advice and take action with respect to any of our clients that can 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 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.

We receive an economic benefit from Schwab in the form of the support products and services it makes available to us and other independent investment advisors whose clients maintain their accounts at Schwab. In addition, Schwab has also agreed to pay for certain products and services for which we would otherwise have to pay once the value of our clients' assets in accounts at

Schwab reaches a certain size. You do not pay more for assets maintained at Schwab as a result of these arrangements. However, we benefit from the arrangement because the cost of these services would otherwise be borne directly by us. You should consider these conflicts of interest when selecting a custodian. The products and services provided by Schwab, how they benefit us, and the related conflicts of interest are described above (see Item 12 – Brokerage Practices).

Item 15 CUSTODY OF CLIENT ASSETS

Pursuant to Rule 206(4)-2 of the Investment Advisers Act of 1940, Ensemble is deemed to have custody of client funds by virtue of its direct deduction of advisory fees from client investment accounts and the fact that certain clients have given Ensemble the authority to transfer funds to a third-party through written standing letters of authorization (“SLOAs”). 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.

Firms with deemed custody must take the following steps:

1. Ensure clients’ managed assets are maintained by a qualified custodian;
2. Have a reasonable belief, after due inquiry, that the qualified custodian will deliver an account statement directly to the client at least quarterly;
3. Confirm that account statements from the custodian contain all transactions that took place in the client’s account during the period covered and reflect the deduction of advisory fees; and
4. Obtain a surprise audit by an independent accountant on the clients’ accounts for which the advisory firm is deemed to have custody.

However, the rules governing the direct debit of client fees and SLOAs exempts Ensemble from the surprise audit rules if certain conditions (including steps 1 through 3 above) are met. Those conditions are as follows:

1. When debiting fees from client accounts, Ensemble must receive written authorization from clients permitting advisory fees to be deducted from the client’s account.
2. In the case of SLOAs, Ensemble must: (i) confirm that the name and address of the third party is included in the SLOA, (ii) document that the third-party receiving the transfer is not related to the Firm or its employees, and (iii) ensure that certain requirements are being performed by the qualified custodian.

When exercising our discretionary authority, we can only implement our investment management recommendations after the client has arranged for and furnished us with all information and authorization regarding his/her accounts held at the designated qualified custodian.

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 report on each fee-paying account quarterly, 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 or selected custodian. 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 held in their managed account(s). The conditions that govern Ensemble's authority to vote proxies on clients' behalf are contained in our investment management agreement entered into with clients. Ensemble does not vote proxies for any clients that have retained the right to vote their proxies and they will receive proxy related information directly from their custodian.

We have adopted written proxy voting policies and procedures that outline our voting processes and are designed to ensure that any potential or actual conflicts of interest are identified and that proxies are voted in the best interest of our clients.

We have contracted with a third-party proxy administration firm, Broadridge Financial Solutions Inc., to provide a platform to allow us to electronically vote and maintain the records required pertaining to each proxy vote decision made. Ensemble also has contracted with Glass Lewis & Co., a leading provider of global proxy research, to provide us with a custom Investment Manager Policy containing proxy voting recommendations. Ensemble has performed a review of the recommendations provided in the Glass Lewis policy and we have determined that such recommendations appear to be consistent with the economic interests of our clients. In addition, we subscribe to Glass Lewis' proxy research service, which provides independent analysis of all proxy proposals, which allows us to perform additional reviews to confirm consistency of recommendations with client economic interests. Using Glass Lewis voting recommendations when voting clients' proxies also helps in limiting any potential or actual conflicts that can arise

between Ensemble and our clients. Therefore, it is Ensemble's policy to vote client proxies in accordance with the recommendations in the Glass Lewis policy unless Ensemble determines from its own internal review that it is in our clients' overall best interest to deviate from the Glass Lewis recommendations.

In cases where sole proxy voting authority rests with Ensemble for plans governed by ERISA, proxies for such accounts will be voted in accordance with the Glass Lewis policy unless outlined otherwise in the plan's governing documents and subject to the fiduciary responsibility standards of ERISA.

If at any time, Ensemble becomes aware of any type of potential or actual conflict of interest relating to a proxy proposal, such potential or actual conflict will be promptly reported to the Chief Compliance Officer. The Chief Compliance Officer will promptly send a Conflict-of-Interest Disclosure Letter to affected clients. The letter will disclose the nature of the potential or actual conflict of interest and provide the affected clients with the opportunity to waive the conflict, authorizing Ensemble to proceed and vote the proxy or, if not waiving the potential conflict, to request that the proxy ballot and solicitation statement be sent to the client for voting.

Ensemble's proxy voting policies and procedures are provided to any of its clients upon written request. Clients also may request, in writing, information on how their proxy shares were voted. Requests should be mailed to the attention of the Chief Compliance Officer at our principal office.

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 provides 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 Section 1 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 & 7 of this Form ADV Part 2A and Item 3h 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 Item 2 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 5 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.	