



HERR CAPITAL MANAGEMENT, LLC

**27 West Plainfield Road
Countryside, Illinois 60525**

P. 312-697-1600 F. 312-697-1601
www.HerrCapital.com

Herr Capital Management Client Brochure

ADV Part 2 Disclosure Brochure
CRD Number: 122965

Updated as of: March 1, 2021

Item 1: Cover Page

This brochure provides information about the qualifications and business practices of **HERR CAPITAL MANAGEMENT, LLC**. If you have any questions about the contents of this brochure, please contact us at: 312-697-1600, or by email at: Info@herrcapital.com. The information in this brochure has not been approved or verified by the United States Securities and Exchange Commission, or by any state securities authority. Registration does not imply a certain level of skill or training.

Additional information about HERR CAPITAL MANAGEMENT, LLC is available on the SEC's website at www.adviserinfo.sec.gov by searching HCM's CRD#122965.



Item 2: Material Changes

Annual Update

The Material Changes section of this brochure will be updated annually or when material changes occur since the previous release of the Firm Brochure.

Material Changes since the last update in March 2020:

We've updated the assets under management as part of our annual filing.

- Item 4: Updated our asset under management as of March 1, 2021.
 - No other material changes.
-

Full Brochure Available

Whenever you would like to receive a complete copy of our Firm Brochure, Form CRS and/or Privacy Statement, please contact us by telephone at 312-697-1600.



Item 3. Table of Contents

Item 2: Material Changes	ii
Annual Update.....	i
Material Changes since the Last Update	ii
Full Brochure Available	ii
Item 4: Advisory Business	1
Firm Description	1
Principal Owners.....	2
Types of Advisory Services.....	2
Tailored Relationships	2
Types of Agreements	2
Retainer Agreement	4
Hourly Planning Engagements.....	4
Tax Preparation Agreement	5
Termination of Agreement.....	5
Item 5: Fees and Compensation	5
Description	5
Fee Billing	5
Other Fees	6
Expense Ratios	6
Past Due Accounts and Termination of Agreement.....	6
Item 6: Performance-Based Fees	7
Sharing of Capital Gains	7
Item 7: Types of Clients	7
Description.....	7
Account Minimums.....	7
Item 8: Methods of Analysis, Investment Strategies and Risk of Loss	7
Methods of Analysis	7
Investment Strategies	7
Risk of Loss.....	9
Item 9: Disciplinary Information	10
Legal and Disciplinary.....	10
Item 10 Other Financial Industry Activities and Affiliations	10
Financial Industry Activities.....	10
Affiliations	10
Item 11: Code of Ethics, Participation or Interest in Client Transactions and Personal Trading	11
Code of Ethics	11



Participation or Interest in Client Transactions11
Personal Trading.....11
Item 12: Brokerage Practices 11
 Selecting Brokerage Firms11
 Best Execution.....12
 Soft Dollars12
 Directed Brokerage12
 Order Aggregation12
Item 13 Review of Accounts 12
 Periodic Reviews12
 Review Triggers.....13
 Regular Reports.....13
Item 14: Client Referrals and Other Compensation 13
 Incoming Referrals.....13
 Referrals Out.....13
 Other Compensation13
Item 15: Custody 14
 Account Statements14
 Performance Reports.....14
 Net Worth Statements.....14
Item 16: Investment Discretion..... 14
 Discretionary Authority for Trading14
 Limited Power of Attorney15
Item 17: Voting Client Securities 15
 Proxy Votes15
Item 18: Financial Information..... 15
 Financial Condition15
Business Continuity Plan 15
 General15
 Disasters15
 Alternate Offices15
 Loss of Key Personnel15
Information Security Program 15
 Information Security.....15
 Privacy Statement.....16
 Education and Business Standards (part 2B Brochure supplement)17
 Professional Certifications17
 Herr Capital Management llc advisor information and Curriculum Vitae19



Item 4: Advisory Business

Firm Description

HERR CAPITAL MANAGEMENT, LLC, is an independent investment advisory firm registered with the State of Illinois. We are also registered in the State of Indiana and Texas. Herr Capital Management is a LIMITED LIABILITY COMPANY organized in the State of Illinois.

Company Overview

Herr Capital Management, LLC is a private wealth management firm serving the needs of individuals, families, banks or thrift institutions, investment companies, pension and profit-sharing plans, trusts, estates, charitable organizations and businesses, non-profit organizations, industry associations, corporations and other business entities.

We provide financial planning and wealth management services, investment management, investment advisory and investment supervisory services. Herr Capital Management, LLC "HCM" believes money is only as important to the extent it allows you to live the life you want. We believe money is a means to an end, not an end in and of itself. We believe everyone can achieve prosperity by managing their money in a thoughtful disciplined manner. We define prosperity as the alignment of your financial assets in a way that is consistent with your values and goals.

Our mission is to help you live a life of prosperity by helping you make smart financial decisions that work for you.

Successfully living a life of prosperity begins with a clear statement of purpose that is realistic, measurable and created within the framework of a comprehensive understanding of each client's goals and values.

Through proper financial planning and wealth management we help our clients discover and achieve their own unique definition of prosperity. We bring innovative, practical and unbiased financial advice and services to help our clients improve their quality of life. We believe our first responsibility is to assure the integrity of their financial position within the context of their personal family values and resources. We guide our clients to help them:

- Create and Grow Wealth;
- Protect and Preserve Wealth;
- Plan for the distribution of wealth during life in the most tax advantageous way;
- Plan for the creation of their legacy in the most tax advantageous way.

Advice is provided through consultation with the client and may include: determination of financial objectives, identification of financial problems, cash flow management, tax planning, insurance review, investment management, education funding, retirement planning, estate planning and other financial matters within the competency of the firm's advisors.

The initial meeting, which may be by telephone is generally considered to be an exploratory interview to determine the extent to which financial planning and investment management services may be beneficial to the client and to determine if there is a consistent philosophy and compatibility with HCM.

The advisors at Herr Capital Management, LLC are also registered representatives of American Portfolios Financial Services, Inc. ("APFS") a registered broker-dealer Member FINRA/SIPC headquartered in Holbrook, New York. HCM and APFS are not affiliated firms.

Herr Capital Management, LLC has entered into a brokerage, custodial and clearing platform offered by TD Ameritrade and Folio Institutional. We also frequently recommend Community National Bank to custody non-traded alternative investments. Other custodians may also be utilized based on client needs and request. All platforms allow for custom portfolios to be designed and managed according to the client objectives. The ticket and ancillary charges under these platforms are paid directly to the custodian of the assets. Herr Capital Management, LLC does not participate in these charges. Please refer to the "Custody" section of this brochure.

Herr Capital Management has also entered into agreements with several third party asset management firms or asset managers "TPM" to solicit clients on their behalf. These TPMs are used when we feel they can best serve the client needs in a particular area. When recommended, clients shall receive separate pertinent regulatory disclosures relating to the TPM.



Investment advice is provided, with the client making the final decision on investment strategy and portfolio selection. HERR CAPITAL MANAGEMENT, LLC does not act as a custodian of client assets. HERR CAPITAL MANAGEMENT, LLC may place discretionary trades for clients under a limited power of attorney but is not authorized to withdraw or transfer any money, securities, or other property from the clients account without client consent as indicated in the investment advisory agreement.

To help assist in all areas of financial planning and implementation of those plans, advisors of HERR CAPITAL MANAGEMENT, LLC are also in the business of selling annuities, insurance, stocks, bonds, mutual funds, limited partnerships, or other commissioned products as non-affiliated registered representatives of APFS, as licensed insurance agents and as licensed real estate agent/broker. As a result HERR CAPITAL MANAGEMENT, LLC and/or its advisors who are registered representatives and/or licensed insurance agents and/or licensed real estate broker/agent may be paid by or receive some economic benefit (including commissions) from a non-client in connection with giving advice to clients. As such a conflict of interest may arise, therefore it is our policy that financial planning clients are never required to implement any recommended strategy with the advisors of Herr Capital Management working in their capacity as a registered representative, insurance agent or real estate agent/broker. We encourage and foster working as a team with the client's current brokers, insurance agents, legal and tax advisors.

Other professionals (e.g., lawyers, accountants, insurance agents, etc.) are engaged directly by the client on an as-needed basis and not included in the scope of work with HCM. Conflicts of interest will be disclosed to the client should they occur. All clients will receive a copy of our form CRS along with our form ADV Part II Brochure

Principal Owners

Terrence Herr, CFP®, CLU is the sole owner of Herr Capital Management, LLC.

Types of Advisory Services

Herr Capital Management, LLC offers three primary services which are mutually exclusive and generally billed as separate services. ,

- 1) **Financial Planning and Wealth Management** - Comprehensive Financial Planning and Wealth Management services.
- 2) **Project Based Planning** – Hourly, modular planning and other project specific consultation services.
- 3) **Investment Management** - Discretionary and non-discretionary asset/investment management or supervisory services.

Tailored Relationships

The goals and objectives for each client are documented in our client relationship management system. Financial plans, planning checklists and investment policy statements are created to reflect the stated goals and objectives of the client. Generally, clients may impose reasonable restrictions on investing in certain securities or types of securities. Agreements may not be assigned without client consent.

Types of Agreements

The following define typical client relationships. These relationships are mutually exclusive and it is common for a client to work with us under each through the course of their relationship with us.

INVESTMENT MANAGEMENT AGREEMENTS

Herr Capital Management, LLC provides investment supervisory services and asset management services; manages investment advisory accounts not involving investment supervisory services; and furnishes investment advice through consultations; which clients may use to evaluate securities. The minimum monthly fee for any Investment Management Agreement is \$70.83 (\$850 annually) and may be negotiable or waived at the sole discretion of HCM.

Herr Capital Management, LLC regularly furnishes advice to clients on matters not involving securities, such as financial planning matters, taxation issues, and trust services that often include estate planning. These services generally fall under a fee for service basis outlined under Financial Planning Services.



Investment Management: This relationship defines clients who open accounts where asset-based fees (charged as a percentage of account value) in conjunction with investment management or investment supervisory services. These accounts usually involve use of a fee-based brokerage account, third party manager or both. (see Investment Strategies).

Clients who have commission based accounts in our capacity as a registered representative of American Portfolios Financial Services, Inc a broker-dealer, are **not** considered investment advisory clients of Herr Capital Management.

FEE-BASED BROKERAGE – Active Models

HERR CAPITAL MANAGEMENT, LCC offers actively managed fee-based brokerage accounts in which HCM acts as the portfolio manager for the account on a discretionary basis. These proprietary model investment portfolios may be employed as part of the chosen strategy to purchase no-load or commission-waived mutual funds, exchange traded funds "ETF", stocks, bonds, and other securities purchased at dealer cost. From time to time, they may also utilize option trading and/or margin. Model changes and rebalancing occurs as dictated by our proprietary model research and changes in client circumstances. Each strategy utilized will be defined by the client's Investment Policy Statement "IPS". (see Investment Strategies).

THIRD PARTY MONEY MANAGERS/SUB-ADVISOR SERVICES

When certain investment management services are desired to be added to a client's portfolio, which Herr Capital Management, LLC does not provide, HCM may seek out non-affiliated third party managers or sub-advisors. Herr Capital Management may act as a solicitor for these third party managers "TPM". HCM currently maintains relationships with a select number of third party money managers. These managers may manage all or a portion of the clients assets on a discretionary basis. Prior to engaging such managers, HCM conducts due diligence which includes a review of the managers regulatory disclosures, historical performance as measured against an index or peer group, and that they have satisfied of State and Federal registration requirements. Third party managers will have additional fees and expenses as compensation for their labor and expense. The TPM will disclose their fees in their firm brochure and under a separate signed client agreement. Clients will be provided the appropriate regulatory disclosures of each of the third party managers as recommendations are made to utilize such managers. Some managers may deduct their fees from the assets they manage and share part of it with HCM. HCM may, at their sole discretion, offset client fees by the amount received from the third party manager.

GENERAL ADVISORY SERVICES DISCLOSURES:

As of March 1, 2021 HERR CAPITAL MANAGEMENT, LLC manages approximately \$32,800,000 for approximately 222 clients. As of March 1, 2021, 100% is managed on a discretionary basis by Herr Capital Management, LLC. Assets under management is defined by accounts opened by HCM on behalf of clients where we charge a fee as a percentage of the assets.

Assets under management, does not include insurance cash values, annuity or other accounts that may be owned by our clients nor do they include assets held at other firms on which we may be advising such as 401(k) or similar retirement plans, real estate, insurance and annuity products, or other such financial instruments we may be advising clients on. Additionally, commissioned based accounts opened through us in our capacity as registered representatives of American Portfolios Financial Services, Inc. are not considered assets under management by Herr Capital Management, LLC and therefore not included in the aforementioned assets under management. When assets from our advisor's broker-dealer affiliation as registered representatives are included the total assets, we are collectively responsible for approximately \$47,070,000.

FINANCIAL PLANNING SERVICES

Herr Capital Management, LLC provides financial planning and consulting services on a negotiable retainer, flat fee or hourly basis. All costs may be negotiated at HCM's sole discretion. The scope of each financial planning service shall be defined in the client agreement. Most engagements are billed on an hourly basis.

Following our proprietary process, a financial plan is designed to help the client(s) with all aspects of financial planning without ongoing investment management after the financial plan is completed.

The financial plan may include, but is not limited to: a net worth statement; a cash flow statement; a review of investment accounts, including reviewing asset allocation and providing repositioning recommendations; strategic tax planning; business planning; a review of retirement accounts and plans including recommendations; a review of



insurance policies and recommendations for changes, if necessary; one or more retirement scenarios; estate planning review and recommendations; and education planning with funding recommendations.

Detailed investment advice and specific recommendations are provided as part of a financial plan. Implementation of the recommendations are at the discretion of the client and not covered by the planning agreement.

The fee for a financial plan is predicated upon the facts known at the start of the engagement. For initial 12 month financial planning engagement, the client pays a one-time fee-based upon the complexity of the work, instead of the hourly rate. Our minimum fee is \$291.67 per month or \$3,500 annually. The cost for planning services are negotiable at the discretion of HCM. The client will be notified of the fee prior to the commencement of work. All services rendered after the completion and delivery of the financial plan fall under either the hourly rate schedule or under a negotiated fixed annual fee. Planning fees do not include services provided under an investment management agreement.

Since financial planning is a discovery process, situations occur wherein the client is unaware of certain financial exposures or predicaments. In the event the client's situation is substantially different than disclosed at the initial meeting, a revised fee will be provided for mutual agreement. The client must approve the change of scope in advance of the additional work being performed when a fee increase is necessary.

Herr Capital Management, LLC provides a web-based service called "Wealth360" which provides account updates from electronic feeds provided by the client's custodians to our third party service provider. (For manual entry assets which are not automatically updated, an additional hourly fee would be incurred for research and data entry). The client must grant authorization and register the necessary logins and passwords to obtain the information. Thereafter, each day the information from the client's preauthorized account is downloaded and post to their web portal. The client is responsible to update their login credentials as they change. HCM is not responsible for missed data feeds or lost connections which may result in missing or inaccurate data.

Herr Capital Management, LLC will also provide **limited scope** planning and advice on an "as-needed" hourly charge. Clients who engage us on a limited scope typically do not have access to the web-based service described above unless they have accounts managed by Herr Capital Management or with its advisors as registered representatives of APFS Inc. LIMITED IN SCOPE engagements commonly occur when a client has a specific concern to address. Clients "collaborate" with us on the topic of concern. Once the limited scope plan is completed, there is generally no ongoing or continued advisory relationship or fiduciary obligations by Herr Capital Management, LLC. Limited scope engagements typically fall under our hourly rates services and occur "as-needed". Limited scope engagements may be oral when the duration of the work is expected to be less than 5 hours.

Retainer Agreement

In some circumstances, a Retainer Agreement may be executed in lieu of an Advisory Service Agreement when it is more appropriate to work on a fixed-fee basis. The annual fee for a Retainer Agreement is at the discretion of HCM based on the scope of the work.

Hourly Planning Engagements

HERR CAPITAL MANAGEMENT, LLC provides hourly planning services for clients who need advice on a limited scope of work. Services may include financial, tax, estate or insurance planning; employee benefit reviews, savings and/or budget planning, as well as, other financial or business concerns of the client. Our hourly rates are \$225 for professional time and \$85 for administrative time. Hourly rates are negotiable at the sole discretion of HCM. When the scope and duration of the work is expected to be less than 5 hours, limited scope engagements may be oral and do not require a written agreement with the client.

Limited scope and hourly planning engagements may include independent investment advice to individual plan participants of ERISA qualified plans, employer sponsored retirement plans, on an hourly fee basis. This may include the analysis of investment plan options and developing recommendations from available investment choice which we believe will accomplish the client goals, based on their stated investment objective and risk tolerance. We recommend the client conduct quarterly reviews and updates to monitor the account progress, but we do not offer continuous supervision due to the lack of access to employee participant account information.



Tax Preparation

Herr Capital Management, LLC does not provide tax return preparation services. However, under an hourly rate engagement we will assist a client in the preparation of their preparer's tax organizer. Work performed is billed at our hourly rates previously detailed. We do not accept any responsibility for client's compliance with the internal revenue code.

Termination of Agreement

A Client may terminate any of the aforementioned agreements at any time by notifying HERR CAPITAL MANAGEMENT, LLC in writing and paying the rate for the time spent on the investment advisory engagement prior to notification of termination. If the client made an advance payment, HERR CAPITAL MANAGEMENT, LLC will refund any unearned portion of the advance payment. If a termination notice is not provided and outstanding fees will be invoiced to the client.

HERR CAPITAL MANAGEMENT, LLC may terminate any of the aforementioned agreements at any time by notifying the client in writing. If the client made an advance payment, HERR CAPITAL MANAGEMENT, LLC will refund any unearned portion of the advance payment.

ITEM 5: Fees and Compensation

Description

HERR CAPITAL MANAGEMENT, LLC bases its fees on a percentage of assets under management, hourly charges and fixed fees.

Some Retainer Agreements may be priced based on the complexity of work, especially when asset management is not the most significant part of the relationship.

Financial plans are priced according to the degree of complexity associated with the client's situation.

Herr Capital Management, LLC may charge a fee for the initial consultation.

All fees are negotiable at the sole discretion of Herr Capital Management, LLC.

Fee Billing

Investment Management Fees: Herr Capital Management, LLC manages client accounts for a percentage of the assets under management ranging from 0.10% to 3.00% depending upon the size and complexity of the client account and/or circumstances. Fees are billed as outlined in the investment management agreement. Fees are usually deducted from a designated client account to facilitate billing. The client must consent in advance to direct debiting of their investment account. Fees are negotiable at the sole discretion of HCM. Since we have no minimum account size, some clients with low account balances may pay more than 3% in order to meet our minimum annual fee.

Financial Planning Fees: Fees for financial plans are generally billed 50% in advance, with the balance due upon delivery of the financial plan. Our minimum fee for a 12-month comprehensive financial planning engagement is \$291.67 per month or \$3,500 annually. In some circumstances, clients may be able to reduce their costs by engaging us on an hourly basis. Fees are negotiable at the sole discretion of HCM.

Hourly Rate Fees: Hourly fees are billable each month as incurred, plus any additional out of pocket expenses such as postage, overnight charges, duplication expenses or any other direct expense. HCM will make an estimate for any hourly engagements expected to take more than 5 hours. When the scope and duration of the work is expected to be less than 5 hours, limited scope and hourly rate engagements may be oral and do not require a written agreement with the client. A deposit of 50% of the total estimated hourly fee shall be made at the beginning of any engagement unless otherwise negotiated. Hourly rates are negotiable at the sole discretion of HCM.

Administrative (Record keeping, filing, typing, correspondence)	\$ 85 per hour
Professional (financial planning, advice, consultation, research, etc.)	\$225 per hour



These fees are NOT inclusive of any asset management fees or commissioned base transactions that may be deemed suitable for the implementation of the client's plan. A conflict of interest will exist and clients are given the option, but not required to implement recommended strategies with advisors affiliated with HCM.

RATE CHANGES: Rates and fee schedules are subject to change as necessary. HCM will notify the client of new rates in writing no less than 30 days prior to the effective date. Similar services provided by HCM might be obtained elsewhere at either a higher or lower cost. HCM may negotiate, reduce or waive fees at their sole discretion

Other Fees

Custodians may charge transaction fees on purchases or sales of certain mutual funds and exchange-traded funds. These transaction charges are usually small and incidental to the purchase or sale of a security and/or the goals of the client. The selection of the security is more important than the nominal fee that the custodian charges to buy or sell the security. Custodians and brokerage firms may also have other service fees such as wire transfer, account closing, etc. Please see the fee disclosure from the custodian/brokerage firm as appropriate for details.

HERR CAPITAL MANAGEMENT, LLC, in its sole discretion, may waive its initial fee, minimum fee and/or charge a lesser investment advisory fee-based upon certain criteria (e.g., historical relationship, type of assets, anticipated future earning capacity, anticipated future additional assets, dollar amounts of assets to be managed, related accounts, account composition, negotiations with clients, etc.).

Herr Capital Management, LLC has a **fiduciary** duty to place the interest of the client ahead of their own, with full disclosure of any additional compensation when an associated person is acting in another capacity, such as a securities broker or insurance agent. HCM may offer offsetting credits or increase the level of services provided to clients who have signed advisory or financial planning agreements with HCM. Such offsets are at the sole discretion of HCM.

Herr Capital Management does not accept 12b-1 fees on accounts under an investment management agreement. 12b-1 fees may be received by advisors of Herr Capital Management, acting in their capacity as a registered representative of American Portfolios Financial Services.

Commissions from insurance products bought through affiliated representatives of Herr Capital Management, LLC are not allowed to be credited to advisory accounts or clients due to the laws against rebating insurance in most states. Therefore, no credits are made to any client who purchases insurance products through an advisor affiliated with Herr Capital Management, LLC. Insurance products recommended can be purchased through other agents not affiliated with HCM. There is never a requirement that products be purchased through Herr Capital Management or its affiliated advisors when they are recommended.

Investment products recommended may also be purchased through other brokers or agents not affiliated with Herr Capital Management, LLC. If so elected, Herr Capital Management may not be able to provide continuous supervision or management of the held away assets. This service would be covered under an hourly engagement with the client responsible for the execution of any recommendations.

Expense Ratios

Mutual funds, Exchange Traded Funds "ETFs" and other investment vehicles other than stocks and individual bonds generally charge a management fee for their services as investment managers. The management fee is called an expense ratio. For example, an expense ratio of 0.50 means that the mutual fund company charges 0.5% for their services. These fees are in addition to the fees paid by you to HERR CAPITAL MANAGEMENT, LLC.

Performance figures and net asset values quoted by mutual funds, ETFs and other investment companies in various publications are after their fees have been deducted.

Past Due Accounts and Termination of Agreement

HERR CAPITAL MANAGEMENT, LLC reserves the right to stop work on any account that is more than 60 days overdue. In addition, HERR CAPITAL MANAGEMENT, LLC reserves the right to terminate any financial planning engagement where a client has willfully concealed or has refused to provide pertinent information about financial situations when necessary and appropriate, in HERR CAPITAL MANAGEMENT, LLC's judgment, to providing proper financial advice. Any unused portion of fees collected in advance will be refunded within 60 days. Herr Capital Management may deduct delinquent past due amounts from investment accounts in which we maintain discretionary authority.



ITEM 6: Performance-Based Fees

Sharing of Capital Gains

Fees are not based on a share of the capital gains or capital appreciation of managed securities.

HERR CAPITAL MANAGEMENT, LLC does not use a performance-based fee structure.

ITEM 7: Types of Clients

Description

HERR CAPITAL MANAGEMENT, LLC generally provides investment advice and financial planning services to individuals, families, banks or thrift institutions, investment companies, pension and profit sharing plans, trusts, estates, charitable organizations and businesses, non-profit organizations, industry associations, corporations and other business entities.

Client relationships vary in scope and length of service.

Account Minimums

Herr Capital Management, LLC does not maintain an account minimum for investment management agreements. Instead, we have instituted a minimum monthly fee of \$70.83 (\$850 annually). Some platforms such as fee-based brokerage and certain third party managers may have higher minimum account sizes.

A small account may not be able to meet minimum investments amounts as established by investment firms and mutual funds. Therefore, when this occurs we may deviate from our proprietary models by utilizing a suitable replacement model or one or more investment vehicles. Depending upon circumstances and services being offered, HERR CAPITAL MANAGEMENT, LLC may offer or the client may request a limited scope/hourly agreement in lieu of an investment advisory agreement.

Clients with small accounts may pay a significantly higher percentage rate on their annual fees than the fees paid by clients with greater assets under management due to the minimum fee.

ITEM 8: Methods of Analysis, Investment Strategies and Risk of Loss

Methods of Analysis

Security analysis methods may include charting, fundamental analysis, technical analysis, and cyclical analysis.

The main sources of information include financial newspapers and magazines, inspections of corporate activities, research materials prepared by others, corporate rating services, timing services, annual reports, prospectuses, filings with the Securities and Exchange Commission, and company press releases.

Other sources of information that HERR CAPITAL MANAGEMENT, LLC may use include research provided by various financial and investment institutions including Blackrock, JP Morgan, State Street Global, Morningstar, other research providers and the world wide web.

Investment Strategies offered by Herr Capital Management, LLC

Our commitment is to adhere to a strict investment discipline through market ups and downs. The consistent application of a specific decision making process may help reduce the chances of getting whipsawed by the markets and making other mental/emotional errors. Many investors make the mistake of chasing hot funds. Others become increasingly aggressive after periods of high returns and panic after absorbing losses of a market decline. Professional advisors may make the same mistakes, but good investors minimize these mistakes by sticking to a well-defined disciplined plan.

Our active models are based on decisions from a disciplined process that can be defined as dynamic. Our investment strategy decisions assume a minimum 3-year time frame. We believe this is long enough to give us confidence that underlying investment fundamentals, rather than short-term market sentiment, will drive returns.



Using both internal and external analysis, we establish a neutral strategic model for each portfolio type or risk profile. We shift our asset allocation away from the neutral model when we believe we have identified buying opportunities:

- a. When one asset class is extremely undervalued relative to competing asset classes.
- b. When cyclical or other factors don't significantly detract from a valuation story.
- c. When long term trend that we believe will have a major impact in defining the upcoming climate don't detract from the valuation story.

This means that we set a course and make adjustments as the client and economic conditions dictate, not on a pre-determined or pre-scheduled calendar basis. Often there are periods of time when significant account changes are made as well as extended periods when little change occurs in an account. Portfolios are globally diversified to control the risk associated with traditional markets. Individual client portfolios may vary due to customization of the portfolio to fit the client's unique circumstances.

There is no guarantee investor objectives will be met. Each investor should carefully consider their portfolio strategy in-light of their risk tolerance and the possibility that losses could negatively impact their ability to achieve their goals. Portfolios may also be adjusted and customized to fit the specific needs of the investor, so each investors experience may be different.

Our strategies have the following objectives and frequently deviate from our neutral allocations based on our view of the market and factors impacting the models:

Income Navigator/Navigator Plus: The income navigator model is appropriate for investors who are seeking income and uncomfortable with short-term volatility. For investors not concerned with liquidity, we offer a "plus" version which is designed to increase income but may mean as much as 50% of a client's portfolio is invested in illiquid or limited-liquidity investments. These illiquid and limited liquidity investments may prevent a client from selling and accessing the money invested. It may also present different risk than a fully liquid investment. There is no guarantee investor objectives will be met.

Active Conservative Tilt 40/60: This portfolio is most appropriate for investors who are uncomfortable with higher short-term risk and who value short-term capital appreciation over higher long-term returns. The primary objective of the Active Conservative Tilt Strategy is long term growth of capital with current income as a secondary objective. The portfolios neutral allocation is 30% domestic equities, 10% International equities and 60% fixed income (US and International). Investor time horizons are expected to be medium to long-term, and they have moderate liquidity concerns for the next several years. There is no guarantee investor objectives will be met.

Active Balance Tilt 60/40: This portfolio is most appropriate for investors who want to participate in the equity markets, but are still somewhat uncomfortable with short-term risk. The primary objective of the Active Balance Tilt Strategy is long-term growth of capital. Current income is a secondary objective. The portfolios neutral allocation is 40% domestic equities, 20% International equities and 40% fixed income (US and International). Investor time horizons are expected to be medium to long-term, and they have minimal liquidity concerns for the next several years. There is no guarantee investor objectives will be met.

Active Equity Tilt 75/25: This portfolio is most appropriate for investors who are willing to accept short-term investment risks in exchange for the likelihood of higher long-term returns. The primary objective of the Active Equity Tilt Strategy is long-term growth of capital. Current income is a secondary objective. The portfolios neutral allocation is 50% domestic equities, 25% International equities and 25% fixed income (US and International). Investor time horizons are expected to be medium to long-term, and they have minimal liquidity concerns for the next several years. There is no guarantee investor objectives will be met.

Active Growth Tilt 90/10: This portfolio is most appropriate for investors who want to participate in the equity markets and have limited concerns about short-term risk. The primary objective of the Active Growth Tilt Strategy is long-term growth of capital. Limited current income is a secondary objective. The portfolios neutral allocation is 60% domestic equities, 30% International equities and 10% fixed income (US and International). Investors in this portfolio generally are willing to accept a significant level of investment risk. Investor time horizons are expected to be medium to long-term, and they have minimal liquidity concerns for the next several years. There is no guarantee investor objectives will be met.



Other Strategies:

Focused Dividend: This portfolio is most appropriate for investors who want to participate in the equity markets through dividend/income paying securities and have limited concerns about short-term risk. The Focused Dividend Strategy seeks total return through capital appreciation and income. We employ a “buy & hold” strategy with approximately 30 to 35 dividend paying stocks, ETFs, mutual funds and other securities from the Dow Jones Industrial Average and broader market. Generally, there is an annual rebalance, however, the portfolio is periodically reviewed and may be modified at any time at our discretion. The portfolio is not actively managed to control risk and usually remains fully invested in all market cycles. Investor time horizons are expected to medium to long-term and they have minimal liquidity concerns for the next several years. There is no guarantee investor objectives will be met.

Faith Based Investment Screens: When requested, HCM can implement similar investments strategies as listed above using faith-based screens. These strategies and performance may differ than the above portfolios. In many cases actively managed mutual funds may be used. These funds typically carry higher expense ratios than Exchange Traded Funds which may adversely impact performance. While we make every effort to implement faith-based screens, due to the active nature of many mutual funds it is possible investments made by mutual fund managers may violate these screens.

Custom Strategies: May be developed to meet the unique needs and preferences of a client.

All strategies may include long-term purchases, short-term purchases, trading, short sales, margin transactions, and option writing (including covered options, uncovered options or spreading strategies). Strategies may also include use of illiquid and other investments considered “alternative investments.” We may also use custom strategic, tactical and blended models managed by HCM, Third Party Managers or through relationships with Sub-Advisors.

The investment strategy for a specific client is based upon the objectives stated by the client during consultations. The client may change these objectives at any time. Each client executes an Investment Policy Statement that documents their objectives and their desired investment strategy.

Alternative Investments: Where deemed appropriate, suitable and based on the Client’s objectives, assets, risk tolerance and investment experience as well as to obtain greater asset and style diversification, HCM may recommend to Clients that a portion of their portfolio be invested in one or more alternative investments. These alternative investments may include, but not be limited to, index-linked debt securities, real estate investment trusts and/or other pooled investment vehicles. HCM only recommends alternative investment choices that are registered with the SEC. Most of these alternative investments are offered under a commission-based arrangement through the advisory representative’s affiliation with American Portfolios Financial Services, Inc. as such, this may represent a conflict of interest.

Risk of Loss

All investment programs have certain risks that are borne by the investor. Our investment approach constantly keeps the risk of loss in mind. Investors face the following investment risks:

- **Interest-rate Risk:** Fluctuations in interest rates may cause investment prices to fluctuate. For example, when interest rates rise, yields on existing bonds become less attractive, causing their market values to decline.
- **Market Risk:** The price of a security, bond, or mutual fund may drop in reaction to tangible and intangible events and conditions. This type of risk is caused by external factors independent of a security’s particular underlying circumstances. For example, political, economic and social conditions may trigger market events.
- **Inflation Risk:** When any type of inflation is present, a dollar today will not buy as much as a dollar next year, because purchasing power is eroding at the rate of inflation.
- **Currency Risk:** Overseas investments are subject to fluctuations in the value of the dollar against the currency of the investment’s originating country. This is also referred to as exchange rate risk.
- **Reinvestment Risk:** This is the risk that future proceeds from investments may have to be reinvested at a potentially lower rate of return (i.e. interest rate). This primarily relates to fixed income securities.
- **Business Risk:** These risks are 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.

- **Liquidity Risk:** Liquidity is the ability to readily convert an investment into cash. Generally, assets are more liquid if many traders are interested in a standardized product. For example, Treasury Bills are highly liquid, while real estate properties are not.
- **Financial Risk:** Excessive borrowing to finance a business' operations increases the risk of profitability, because the company must meet the terms of its obligations in good times and bad. During periods of financial stress, the inability to meet loan obligations may result in bankruptcy and/or a declining market value.
- **Political Risk:** Laws governing any country are subject to change and such can create financial stress when abruptly changed. This can affect a single industry or the broader global economy causing unexpected results, sometimes known as "unintended consequences".
- **Derivative Risk:** When values of an asset are based upon another underlying asset, commodity or option contract. The derivative can leverage the value of the asset by multiples resulting in increased volatility in either an up or down market.
- **Risk of Loss:** Investing carries with it the risk of loss, including the loss of invested principal. Understanding this risk can help investors decide how much of their money they are comfortable in placing in any given investment or asset. Investments are NOT FDIC insured.

ITEM 9: Disciplinary Information

Legal and Disciplinary

The firm and its employees have NOT been involved in legal or disciplinary events related to past or present investment clients.

ITEM 10: Other Financial Industry Activities and Affiliations

Financial Industry Activities

Terrence Herr CFP®, CLU is the sole owner of HERR CAPITAL MANAGEMENT, LLC and is a registered representative of American Portfolios Financial Services, Inc. a registered broker/dealer. Member FINRA/SIPC.

Affiliations

HERR CAPITAL MANAGEMENT, LLC has arrangements that are material to its advisory or its clients with a related person who is a broker-dealer, investment company, other investment advisor, banking or thrift institution, insurance company or agency, pension consultant, real estate broker as follows:

- **American Portfolios Advisors, Inc** a SEC registered investment advisor located in Holbrook, NY (a wholly owned subsidiary of American Portfolios Holdings, Inc. which also owns American Portfolios Financial Services Inc. a registered broker-dealer and American Outsources LLC a technology company serving the financial services industry) for support services by providing billing assistance on client accounts, blottering of transactions, web-access services, data aggregation, business processing, maintaining correspondence blotter, compliance assistance as well as conducting anti-money laundering supervision for our accounts. HCM will pay American Portfolios a negotiated percentage of our investment management agreement fees.
- **American Portfolios Financial Services, Inc.** Terrence Herr and Melissa N. Osika are registered representatives of American Portfolios Financial Services, Inc. a registered broker-dealer. American Portfolios Financial Services, Inc. is a wholly owned subsidiary of American Portfolios Holdings, Inc. which also owns American Portfolios Advisors, Inc. a registered investment advisor and American Outsources LLC a technology company serving the financial services industry). The term registered representative does not imply a certain level of skill or training.



- **Real Estate Managing Broker:** Terrence Herr maintains an Illinois residential real estate managing broker license. He does not directly provide real estate sale or listing services, but will make referrals to competent licensed real estate professionals in exchange for a negotiated percentage of the commissions earned from the purchase or sale of real estate. Sharing of commissions will not increase the commissions paid by a client or customer conducting a real estate transaction. A conflict of interest is inherent in such a relationship and as such clients are not required to utilize the services of a referred real estate professional.
- **Licensed Insurance Agent:** Terrence Herr and Melissa N. Osika are licensed insurance agents with as many as 30 (thirty) different insurance carriers. In this capacity, they may earn commissions on products purchased by clients acting upon his recommendations as an investment advisor. The possibility of a conflict of interest is inherent in such a relationship.
- **Insurance:** Herr Capital Management, LLC owns a registered assumed name of ProtectedIRA.com and a consumer oriented insurance sales web domain name of ProtectedIRA.com for the purposes of marketing fixed insurance and annuity products. These clients are not deemed to be engaged in an advisory relationship with HCM. ProtectedIRA is a marketing name, not an insurance agency, with licensed use to Terrence Herr as an insurance agent. It is currently not in active use.
- **Other Investment Advisors & Third Party Managers:** Herr Capital Management, LLC may recommend other investment advisors for consideration by their clients. In such relationships that act as the supervising manager monitoring the outside investment advisor. Some investment advisors share the revenue they receive for managing the assets with Herr Capital Management, LLC. Many third-party managers offer incentives or preferential treatment to Herr Capital Management upon reaching certain asset levels on their platforms. This may involve reimbursement for expenses, software services and/or direct or non-direct financial incentives which may present a conflict of interest.

ITEM 11: Code of Ethics, Participation or Interest in Client Transactions and Personal Trading

Code of Ethics

The employees of HERR CAPITAL MANAGEMENT, LLC have committed to a Code of Ethics that is available for review by clients and prospective clients upon request. The firm will provide a copy of the Code of Ethics to any client or prospective client upon request.

Participation or Interest in Client Transactions

HERR CAPITAL MANAGEMENT, LLC and its employees may buy or sell securities that are also held by clients. Employees may not trade their own securities ahead of client trades. Employees comply with the compliance provisions adopted by HERR CAPITAL MANAGEMENT, LLC

Personal Trading

The Chief Compliance Officer of HERR CAPITAL MANAGEMENT, LLC is Terrence Herr. He reviews all trades as they occur and/or each quarter. The personal trading reviews ensure that the personal trading of employees do not affect the markets, and that clients of the firm receive preferential treatment. Since most employee trades are small mutual fund trades or exchange-traded fund trades, the trades do not affect the securities markets or individual client accounts.

ITEM 12: Brokerage Practices

Selecting Brokerage Firms

HERR CAPITAL MANAGEMENT, LLC does not have any affiliation with product sales firms. Specific custodian recommendations are made to clients based on their need for such services. HERR CAPITAL MANAGEMENT, LLC recommends custodians based on the proven integrity, financial responsibility of the firm and the best execution of orders at reasonable commission rates.



HERR CAPITAL MANAGEMENT, LLC recommends brokerage firms and trust companies (qualified custodians), such as TD Ameritrade, Folio Institutional and Community National Bank. Other custodians and brokerage firms may be available through our relationships with third party asset managers "TPM" upon client request.

Each custodian publishes a list of their brokerage and transaction fees which are delivered to the client prior to opening an account. HERR CAPITAL MANAGEMENT, LLC does not receive fees or share in transaction charges from any of these arrangements. Additionally, custodians and investment firms and asset managers may offer incentives such as expense reimbursement, software and other services to Herr Capital Management, LLC upon reaching certain asset levels on their platforms which may create a conflict of interest.

Best Execution

HERR CAPITAL MANAGEMENT, LLC reviews the execution of trades at each custodian quarterly. Trading fees charged by the custodians are also reviewed on a quarterly basis. HERR CAPITAL MANAGEMENT, LLC does not receive any portion of the trading fees.

Soft Dollars

HERR CAPITAL MANAGEMENT, LLC may receive software, technology, expense reimbursements and marketing services from American Portfolios Financial Services, Inc., TD Ameritrade Institutional, FOLIO Institutional and other investment management firms allowing the ability to have access to technology resources and services we would not otherwise have. These services offset some of the annual maintenance and technology fees Herr Capital Management, LLC would otherwise have to pay. There can be no assurance that any particular client will benefit from these soft dollars, but we do believe all clients benefit from these arrangements as it may increase our efficiency and reduce Herr Capital Management's overall operational expenses.

Directed Brokerage

HERR CAPITAL MANAGEMENT, LLC recommends that clients execute transactions through TD Ameritrade and FOLIO Institutional. Our relationships with third party managers may also result in other brokerage platforms as disclosed as part of these program offerings.

Terrence Herr, CFP®, CLU, the firm's owner, and Melissa Osika are affiliated with American Portfolios Financial Services, Inc. as a securities broker and branch manager and as such, is required by regulators to have their transactions supervised by their compliance and supervision department.

By using these custodians, it may be possible trade client's accounts as a block trade or via a "trade window" in aggregate potentially lowering costs or obtaining better pricing for the clients. It may also afford HERR CAPITAL MANAGEMENT to achieve certain operational efficiencies.

HERR CAPITAL MANAGEMENT, LLC will provide investment advice to clients who wish to establish brokerage accounts with other custodians. These arrangements are priced under an hourly rate agreement and no supervision or management services are provided for the held away assets. When using these types of brokerage agreements it may result in higher or lower total expense to the client.

Order Aggregation

Aggregating trades involving mutual funds do not garner any client benefit. When appropriate and available, order aggregation may be utilized to ensure client portfolios are traded simultaneously as well as to reduce transaction costs. Our models may use order aggregation when making portfolio modifications.

ITEM 13: Review of Accounts

Periodic Reviews

Account reviews are performed at least every 3 months and/or quarterly. Reviews may be performed more frequently when market conditions dictate.

Performance reports are mailed quarterly for those clients requiring paper delivery other clients may obtain their performance reports via download or through other electronic means. Statements are generally available on a monthly basis through electronic means through the custodian's website. Clients may also request printed



statements. Clients have the ability to access their account information and run performance reports at any time by using their secure online login identification and password. Online access allows the client and advisor to review the account on a daily basis, if needed. Fees paid to HCM appear on the monthly statement as provided by client's custodian as well as on each quarterly report provided by HCM.

When applicable, financial planning reviews are performed on an as needed basis with notices sent annually as a reminder.

HERR CAPITAL MANAGEMENT, LLC contracts with third party providers to collect and aggregate the data on their secure website for both investment advisory and financial planning clients. No warranty is expressed or implied as to the accuracy of the data collected or presented. While data is believed to be reliable it is provided as a courtesy for their clients on a best efforts basis by the third party providers. Clients are responsible to notify the advisor if the information is materially inaccurate.

Review Triggers

Other conditions that may trigger a review are changes in the tax laws, new investment information, changes in a client's own situation or when requested by a client.

Regular Reports

Account reviewers are members of the firm's Investment Committee. They are instructed to consider the client's current security positions and the likelihood the performance of each security will contribute to the investment objectives of the client.

Clients receive periodic communications on at least an annual basis. Investment Management clients receive written or electronic updates as requested. Clients also have access to their account information and performance on a "24/7" basis by logging into the appropriate secure web portal. The written updates may include a net worth statement, portfolio statement, and/or a summary of objectives and progress towards meeting those objectives.

ITEM 14: Client Referrals and Other Compensation

Incoming Referrals

HERR CAPITAL MANAGEMENT, LLC has been fortunate to receive many client introductions over the years. Introductions come from current clients, estate planning attorneys, accountants, employees, personal friends of employees and other similar sources. The firm does not compensate referring parties for these referrals. HERR CAPITAL MANAGEMENT, LLC may pay referral fees to other investment advisors or registered investment advisory representatives who make referrals to HCM under a fully disclosed solicitor's agreement. The payment of referrals fees will not increase the total fees to a client.

Referrals Out

HERR CAPITAL MANAGEMENT, LLC does not accept referral fees or any form of remuneration from other professionals when a prospect or client is referred to them, except in the case when clients are referred to third party managers under a solicitor's agreement, real estate professionals or when prior approval has been granted by the client in advance. Any conflict of interest, when present will be disclosed.

Other Compensation

Terrence Herr:

Approximately 80% - 90% of Terrence Herr's time is dedicated to the investment advisory activities of HERR CAPITAL MANAGEMENT, LLC. He receives other non-investment advisory compensation as follows:

American Portfolios Financial Services: as registered representatives of APFS, Inc. advisors of HCM may receive commissions in connection with the sale of securities through their affiliation with APFS a registered broker-dealer. This activity accounts for approximately 10% - 20% of Mr. Herr's time.



Insurance – Advisors of Herr Capital Management, LLC are licensed insurance agents and may receive commission in conjunction with the sale of insurance products. This activity is performed on an as needed basis and typically accounts for less than 10% of Mr. Herr's time.

Real Estate Brokerage – Advisors of Herr Capital Management, LLC may be licensed real estate agents/brokers and receive a portion of commissions earned by unaffiliated real estate professionals referred to our clients. This activity is performed on an as needed basis and typically accounts for less than 5% of Mr. Herr's time.

Melissa N. Osika:

Approximately 80% to 90% of Melissa Osika's time is dedicated to the investment advisory activities of Herr Capital Management, LLC. She receives other non-investment advisory compensation as follows:

American Portfolios Financial Services: as registered representatives of APFS, Inc. advisors of HCM may receive commissions in connection with the sale of securities through their affiliation with APFS a registered broker-dealer. This activity accounts for approximately 10% - 20% of Mrs. Osika's time.

Insurance – Advisors of Herr Capital Management, LLC are licensed insurance agents and may receive commission in conjunction with the sale of insurance products. This activity is performed on an as needed basis and typically accounts for less than 5% of Mrs. Osika's time.

ITEM 15: Custody

Account Statements

All assets are held at qualified custodians which means the custodians hold clients assets and provide account statements directly to clients at their address of record or electronically at least quarterly.

Performance Reports

Clients are urged to compare the account statements received directly from their custodians to the performance report statements provided by HERR CAPITAL MANAGEMENT, LLC. In all circumstances the client should rely on the account statements received directly from their custodian.

Net Worth Statements

Clients are asked to frequently provide net worth statements and net worth graphs. Net worth statements contain approximations of bank account balances provided by the client, as-well-as the value of land and hard-to-price real estate. The net worth statements are used for long-term financial and investment planning. Exact values of assets are not material, but reasonable estimates are necessary.

ITEM 16: Investment Discretion

Discretionary Authority for Trading

HERR CAPITAL MANAGEMENT, LLC accepts discretionary authority to manage securities accounts on behalf of clients. When discretion is granted, HERR CAPITAL MANAGEMENT, LLC has the authority to determine, without obtaining specific client consent, the securities to be bought or sold, and the amount of the securities to be bought or sold. However, HERR CAPITAL MANAGEMENT, LLC may consult with the client prior to each trade to obtain concurrence if requested by a client.

The client approves the custodian to be used and the fees paid to the custodian. HERR CAPITAL MANAGEMENT, LLC does not receive any portion of the transaction fees or commissions paid by the client to the custodian on certain trades.

Discretionary trading authority facilitates placing trades in your accounts on your behalf so that we may promptly implement the investment policy that you have approved in writing.



Limited Power of Attorney

A limited power of attorney is a trading authorization to allow Herr Capital Management, LLC discretion to only purchase and sell securities and limited as to the type of security selected, timing, and amount. It does not allow funds to be withdrawn from the account or transferred to another account without express written permission from the client. Clients sign a limited power of attorney so that we may execute the investment strategies as agreed.

ITEM 17: Voting Client Securities

Proxy Votes

HERR CAPITAL MANAGEMENT, LLC does not vote proxies on securities nor do we provide guidance as to how a client should vote their proxy. All clients are expected to vote their own proxies.

When requested, HERR CAPITAL MANAGEMENT, LLC will provide assistance to the Client regarding the process of casting their vote. If a conflict of interest exists, it will be disclosed to the Client.

ITEM 18: Financial Information

Financial Condition

HERR CAPITAL MANAGEMENT, LLC does not have any financial impairment that will preclude the firm from meeting contractual commitments to clients.

A balance sheet is not required to be provided because HERR CAPITAL MANAGEMENT, LLC does not serve as a custodian for client funds or securities, and does not require prepayment of fees of more than \$600 per client, and six months or more in advance.

Business Continuity Plan

General

HERR CAPITAL MANAGEMENT, LLC has a Business Continuity Plan in place that provides detailed steps to mitigate and recover from the loss of office space, communications, services or key people.

Disasters

The Business Continuity Plan covers natural disasters such as snow storms, hurricanes, tornados, and flooding. The Plan covers man-made disasters such as loss of electrical power, loss of water pressure, fire, bomb threat, nuclear emergency, chemical event, biological event, communications line outage, internet outage, railway accident and aircraft accident. Electronic files are backed up in real-time and archived offsite in a manner consistent with Securities Exchange Commission Rule 17a-(4) Record Retention Requirements.

Alternate Offices

Alternate offices are identified to support ongoing operations in the event the main office is unavailable. It is our intention to contact all clients within five days of a disaster that dictates moving our office to an alternate location.

Loss of Key Personnel

HERR CAPITAL MANAGEMENT, LLC has an internal succession plan and also has a Business Continuation Agreement with another registered investment advisory firm to support HERR CAPITAL MANAGEMENT, LLC in the event of serious loss, disability or death of key personnel.

Information Security

HERR CAPITAL MANAGEMENT, LLC maintains an information security program to reduce the risk that your personal and confidential information may be breached.



Privacy

HOW WE USE AND PROTECT PERSONAL INFORMATION

HERR CAPITAL MANAGEMENT, LLC is committed to maintaining the confidentiality, integrity and security of the personal information that is entrusted to us.

INFORMATION WE MAY COLLECT

The categories of nonpublic information that we collect from you may include information about your personal finances, information about your health to the extent that it is needed for the financial planning process, information about transactions between you and third parties, and information from consumer reporting agencies, e.g., credit bureaus. We use this information to help you meet your personal financial goals.

DISCLOSURES PERMITTED BY LAW

We may also disclose all the information we collect as permitted or required by law. For example, we may disclose information to State or Federal regulatory agencies and/or law enforcement agencies.

INFORMATION WE MAY DISCLOSE

HERR CAPITAL MANAGEMENT, LLC will not disclose your personal information to companies or organizations not affiliated with us that would use your information to contact you about their own products or services. However, we may disclose the information we collect as described above to our staff, affiliates, representatives, their affiliated businesses, insurance companies, brokers, banks, broker/dealers, and investment advisers that provide service to you on our behalf. These services include items such as: administrative, customer assistance, clearing, operational and other services.

When requested and/or authorized by you we will disclose information to attorneys, accountants, and mortgage lenders. You may opt-out from our sharing information with these nonaffiliated third parties by notifying us at any time by telephone, mail, fax, email, or in person.

SECURING YOUR INFORMATION

We maintain a secure office to ensure that your information is not placed at unreasonable risk. We employ a firewall barrier, secure data encryption techniques and authentication procedures in our computer environment.

We do not provide your personal information to mailing list vendors or solicitors. We require strict confidentiality in our agreements with unaffiliated third parties that require access to your personal information, including financial service companies, consultants, and auditors. Federal and state securities regulators may review our Company records and your personal records as permitted by law.

Personally identifiable information about you will be maintained while you are a client, and for the required period thereafter that records are required to be maintained by federal and state securities laws. After that time, information may be destroyed.

We will notify you in advance if our privacy policy is expected to change. We are required by law to deliver this Privacy Notice to you annually, in writing.

FOR ANY QUESTIONS REGARDING THIS POLICY, PLEASE CONTACT US AT:

HERR CAPITAL MANAGEMENT, LLC 27 West Plainfield Road, Countryside, Illinois 60525 or by calling 312-697-1600.



Brochure Supplement (Part 2B of Form ADV)

Education and Business Standards

HERR CAPITAL MANAGEMENT, LLC requires that advisors in its employ have a bachelor's degree and further coursework demonstrating knowledge of financial planning and tax planning. Examples of acceptable coursework include: BA, BS, MBA, a CFP®, a CFA, a ChFC, JD, CTFA, EA or CPA. Additionally, advisors must have work experience that demonstrates their aptitude for financial planning and investment management.

Terrence Herr, CFP®, CLU®

Professional Certifications

Terrence Herr has earned the following certifications and credentials that are required to be explained in further detail.

Certified Financial Planner® (CFP®) and federally registered CFP (with flame design) marks (collectively, the "CFP® marks") are professional certification marks granted in the United States by Certified Financial Planner Board of Standards, Inc. ("CFP Board").

The CFP® certification is a voluntary certification; no federal or state law or regulation requires financial planners to hold CFP® certification. It is recognized in the United States and a number of other countries for its (1) high standard of professional education; (2) stringent code of conduct and standards of practice; and (3) ethical requirements that govern professional engagements with clients. Currently, more than 71,000 individuals have obtained CFP® certification in the United States.

To attain the right to use the CFP® marks, an individual must satisfactorily fulfill the following requirements:

- Education – Complete an advanced college level course of study addressing the financial planning subject areas that CFP Board's studies have determined as necessary for the competent and professional delivery of financial planning services, and attain a Bachelor's Degree from a regionally accredited United States college or university (or its equivalent from a foreign university). CFP Board's financial planning subject areas include insurance planning and risk management, employee benefits planning, investment planning, income tax planning, retirement planning, and estate planning;
- Examination – Pass the comprehensive CFP® Certification Examination. The examination, administered in 10 hours over a two-day period, includes case studies and client scenarios designed to test one's ability to correctly diagnose financial planning issues and apply one's knowledge of financial planning to real world circumstances;
- Experience – Complete at least three years of full-time financial planning-related experience (or the equivalent, measured as 2,000 hours per year); and
- Individuals who become certified must complete the following ongoing education and ethics requirements in order to maintain the right to continue to use the CFP® marks:
- Continuing Education – Complete 30 hours of continuing education hours every two years, including two hours on the Code of Ethics and other parts of the Standards of Professional Conduct, to maintain competence and keep up with developments in the financial planning field; and
- Ethics – Renew an agreement to be bound by the Standards of Professional Conduct. The Standards prominently require that CFP® professional provide financial planning services at a fiduciary standard of care. This means CFP® professionals must provide financial planning services in the best interests of their clients.
- CFP® professionals who fail to comply with the above standards and requirements may be subject to CFP Board's enforcement process, which could result in suspension or permanent revocation of their CFP® certification.

Consumers can check a Certificant's status online at <http://www.cfp.net/search/>



Chartered Life Underwriter (CLU) is a professional designation granted in the United States by the American College, Bryn Mawr, Pennsylvania ("The American College") chartered in 1927 and receiving its accreditation as an educational institution of higher learning by the Middle States Commission on Higher Education in 1978.

The CLU® designation is a voluntary designation; no federal or state law or regulation requires Insurance Professional to hold a CLU® designation. It is recognized in the United States and a number of other countries for its (1) high standard of professional education; (2) professional code of conduct; and (3) ethical requirements. Currently, more than 117,000 individuals have obtained the CLU® designation in the United States.

To attain the right to use the CLU® designation, an individual must satisfactorily fulfill the following requirements.

- Education – The CLU® curriculum is more extensive than that of any other Life Insurance credential, requiring five core courses and three electives for a total of eight. Topics include the fundamentals of insurance planning, individual life insurance, life insurance law, fundamentals of estate planning, planning for business owners and professionals, retirement and estate planning applications, and financial planning process and environment. Professional who have earned their CHARTERED FINANCIAL CONSULTANT®, ChFC® also offered through The American College need only complete three additional courses to earn the CLU® designation.
- Examination – Each program represents over 400 hours of study time and requires eight separate closed-book, proctored exams. The majority of course textbooks in the program are written by The American College faculty. These same texts are preferred by other leading colleges and universities across the country;
- Experience – Each designee must meet a professional requirement of three years of relevant full-time experience within the past five years prior to the designations being awarded (2,000 hours representing the equivalent of one year full-time experience); and
- Ethics - Every designee must adhere to a robust ethical code that requires professional to, in light of all conditions surrounding those clients they serve, which they shall make every conscientious effort to ascertain and understand, render that service which, in the same circumstance, the advisor would render to themselves.
- Individuals who matriculated with the college after June 30, 1989 are subject to the PACE Recertification Program and must complete the following ongoing education requirements in order to maintain the right to continue to use the CLU® designation;
- Continuing Education – Complete 30 hours of continuing education hours every two years, maintain competence and keep up with developments in the financial planning field; and

Consumers can report ethical violations of any CLU® professional by emailing registrar@theamericancollege.edu The College Registrar, in conjunction with the Certification Committee of the Board, addresses all complaints in a timely and professional fashion and takes the appropriate disciplinary action, up to removal of the designation.

SUPERVISION

Terrence E. Herr is the managing partner, chief compliance officer and owner of Herr Capital Management, LLC. Mr. Herr is responsible for the supervision and advice provided to the clients of Herr Capital Management, LLC. Mr. Herr's trading activities, as well as all advisors of Herr Capital Management, LLC are also overseen by American Portfolios Financial Services, Inc. and a Supervising Principal, Jeffrey Kahn who can be reached at 800-889-3914.



Terrence Herr, CFP®, CLU®

Born 1971

EDUCATIONAL BACKGROUND:

<u>LOYOLA UNIVERSITY CHICAGO</u> Chicago, Illinois BACHELORS OF BUSINESS ADMINISTRATION	1993
<u>THE AMERICAN COLLEGE</u> Bryn Mawr, PA LIFE UNDERWRITER TRAINING COUNCIL CURRICULUM	1997
<u>COLLEGE FOR FINANCIAL PLANNING</u> Denver, Colorado CERTIFIED FINANCIAL PLANNER CURRICULUM	1997 - 1999
<u>CERTIFIED FINANCIAL PLANNER BOARD OF STANDARDS, INC.</u> Washington, DC 10 HOUR CFP® CERTIFICATION EXAM	1999
<u>THE AMERICAN COLLEGE</u> , Bryn Mawr, PA CHARTERED LIFE UNDERWRITER CURRICULUM	2001 - 2002

PROFESSIONAL DESIGNATIONS

<u>CERTIFIED FINANCIAL PLANNER BOARD OF STANDARDS, INC.</u> Washington, DC CERTIFIED FINANCIAL PLANNER™ PRACTITIONER CFP® DESIGNATION AWARDED	September 21, 1999
<u>THE AMERICAN COLLEGE</u> Bryn Mawr, PA CHARTERED LIFE UNDERWRITER	February 1, 2002

LICENSE AND REGISTRATIONS

Terrence E. Herr is licensed to sell securities and holds the following securities license:

Series 65 (Uniform Investment Advisor Law)	1998
Series 24 (General Securities Principal)	1998
Series 7 (General Securities Representative)	1995
Series 63 (Uniform Securities Agent State Law)	1994
Series 53 (Municipal Securities Principal)	1998

Securities license may be verified at: <http://www.finra.org/Investors/ToolsCalculators/BrokerCheck/>

Terrence Herr is licensed to sell insurance. His national insurance producer code is #250147

Terrence Herr is a licensed Illinois Real Estate Managing Broker. License#471.009622



BUSINESS EXPERIENCE:

<u>HERR CAPITAL MANAGEMENT, LLC</u> Chicago, Illinois – Managing Partner & Owner	03/2000 to Present
<u>AMERICAN PORTFOLIOS FINANCIAL SERVICES, INC.</u> Holbrook, New York – registered principal/branch manager	03/2010 to Present
<u>CITIZENS BANK of CHATSWORTH:</u> Terrence Herr served as a director for the Citizens Bank of Chatsworth located in Chatsworth, Illinois.	06/2012 to 4/2016
<u>DEPAUL UNIVERSITY – ADJUNCT FACULTY MEMBER</u> Chicago, Illinois - Department of Continuing and Professional Education Instructor for the Financial Planning Certificate program.	2001 to 2003
<u>NORTHWESTERN UNIVERSITY- ADJUNCT FACULTY MEMBER</u> Chicago, Illinois – Certified Financial Planner™ Certification Education Program instructor.	2004
<u>FSC SECURITIES CORPORATION</u> Atlanta, Georgia – registered principal	01/1998 to 03/2010
<u>FSC AGENCY</u> Atlanta, Georgia – Insurance broker	01/1998 to 03/2010
<u>W.S. GRIFFITH & CO.,</u> Hartford, CT – Registered Representative	01/1995 to 01/1998
<u>PHOENIX HOME LIFE</u> Hartford, CT. –Insurance Agent	01/1995 to 01/1998

DISCIPLINARY INFORMATION:

Terrence Herr has not been the subject of any disciplinary actions.

Arbitration Claims: Mr. Herr has not been the subject of any arbitration proceedings or claims

Self-Regulatory Organization or Administrative Proceeding: Mr. Herr has not been the subject of any SRO or administrative proceedings

Bankruptcy Petition: None

OTHER BUSINESS ACTIVITIES & COMPENSATION:

Terrence Herr has other business activities for which he receives compensation including:

- Registered representative of American Portfolios Financial Services, Inc. a registered broker-dealer firm. Member FINRA/SIPC CRD#2565870
- Insurance agent/brokerage NPN#250147
- Illinois licensed real estate broker #471.009622



Melissa N Osika, MBA

Born 1981

EDUCATIONAL BACKGROUND:

CHRISTOPHER NEWPORT UNIVERSITY Newport News, Virginia 2003
BACHELORS OF ARTS

ST. XAVIER UNIVERSITY Chicago, Illinois 2006
MASTERS OF BUSINESS ADMINISTRATION

LICENSE AND REGISTRATIONS

Melissa N. Osika is licensed to sell securities and holds the following securities license(s):

Series 6 (Investment Company Products/Variable Contracts)	12-2006
Series 63 (Uniform Securities Agent State Law)	12-2006
Series 65 (Uniform Investment Advisor Law)	02-2007
Series 7 (General Securities Representative)	10-2009
Series 24 (General Securities Principal)	07-2011

Securities license may be verified at: <http://www.finra.org/Investors/ToolsCalculators/BrokerCheck/>
CRD#5249387

Melissa N. Osika is licensed to sell insurance. Her national insurance producer code is #9105240

BUSINESS EXPERIENCE:

HERR CAPITAL MANAGEMENT, LLC 01/2017 to Present
Chicago, Illinois

AMERICAN PORTFOLIOS FINANCIAL SERVICES, INC. 01/2017 to Present
Holbrook, New York – registered principal

SECURITY SERVICES NETWORK 09/2012 to 12/2016
Burr Ridge, IL

BARONE FINANCIAL GROUP 09/2012 to 12/2016
Burr Ridge, Illinois –Registered Representative

WADDELL & REED, INC. 12/2006 to 9/2012
Naperville, IL – Registered Representative



DISCIPLINARY INFORMATION:

Melissa N. Osika has not been the subject of any disciplinary actions.

Arbitration Claims: Melissa N. Osika has not been the subject of any arbitration proceedings or claims

Self-Regulatory Organization or Administrative Proceeding: Melissa N. Osika has not been the subject of any SRO or administrative proceedings

Bankruptcy Petition: None

OTHER BUSINESS ACTIVITIES & COMPENSATION:

Melissa N. Osika has other business activities for which she receives compensation including:

- Registered representative of American Portfolios Financial Services, Inc. a registered broker-dealer firm. Member FINRA/SIPC CRD#5249387
- Insurance agent/brokerage NPN#9105240

SUPERVISION

Melissa N. Osika is supervised by Terrence Herr, Managing Partner and Chief Compliance Officer of Herr Capital Management, LLC. Mr. Herr may be reached at 312-697-1600.