

## Item 1: Cover Page

**TruNorth Capital Management, L.L.C.**  
**1090 North 10<sup>th</sup> Street, Suite 210**  
**Kalamazoo, MI 49009**  
**877-469-0446**  
[www.trunorthcapital.com](http://www.trunorthcapital.com)

This brochure provides information about the qualifications and business practices of TruNorth Capital Management, L.L.C. (“TruNorth Capital”, “we”). If you have questions about the content of this brochure, please contact TruNorth Capital at 877-469-0446 or email us at [support@trunorthcapital.com](mailto:support@trunorthcapital.com). The information in this Brochure has not been approved or verified by the United States Securities and Exchange Commission (SEC), or by any state securities authority.

TruNorth Capital is a fee-only Registered Investment Adviser registered with and regulated by the SEC. Registration of an Investment Adviser does not imply any skill level or training. Additional information about TruNorth Capital also is available on the SEC’s website at [www.adviserinfo.sec.gov](http://www.adviserinfo.sec.gov).

We will keep you informed as to any material changes to our brochure. TruNorth Capital’s Brochure may be requested by calling 877-469-0446 or by emailing us at [support@trunorthcapital.com](mailto:support@trunorthcapital.com).

## Item 2: Summary of Material Changes

This Form ADV 2A Brochure was amended on March 21, 2024, to update the following information:

- TruNorth Capital updated its 2023 fiscal year end assets under management
- John Schoolman retired in his role as an investment adviser representative in December 2023, but continues in his capacity as shareholder.

Amendments over the past year:

This Brochure was amended on October 24, 2023, to report the following information:

- TruNorth Capital welcomed Kristin Bennett, CFP®, CPWA® to the firm
- TruNorth Capital’s new address. TruNorth Capital’s telephone number was unchanged
- Item 8 was updated to reflect information about options

This Brochure was amended on March 29, 2023, to report 2022 fiscal year end assets under management and the following material changes:

- Item 4: In January 2023, Kevin Miller assumed the position of Chief Compliance Officer.
- Item 5: TruNorth Capital’s investment management sliding fee scale and minimum annual fee were updated effective January 1, 2023, and applies to new clients. For existing clients, TruNorth Capital continues to honor the fee schedule as agreed in the executed TruNorth Capital client agreement. One other exception to the 2023 fee schedule applies to clients transferring from an unaffiliated adviser whereby TruNorth Capital has agreed to grandfather clients’ existing management fee schedule during the transition process and for a time period agreed between Adviser and client.

Pursuant to SEC Rules, we will ensure that you receive a summary of any materials changes to this and subsequent Brochures within 120 days of the close of our business' fiscal year. We may further provide other ongoing disclosure information about material changes as necessary. We will further provide you with a new Brochure and Form CRS as necessary based on changes or new information, at any time, without charge.

TruNorth Capital's Brochure and our Client Relationship Summary (CRS) may be requested by calling 877-469-0446 or emailing us at support@trunorthcapital.com. Additional information about TruNorth Capital is available on the SEC's web site [www.adviserinfo.sec.gov](http://www.adviserinfo.sec.gov). The SEC's web site also provides information about any persons affiliated with, who are registered, or are required to be registered, as investment adviser representatives of TruNorth Capital (CRD# 165285).

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## Item 4: Advisory Business

### A. Description of the Advisory Firm

TruNorth Capital Management (“TruNorth Capita”, the “Adviser”, or “we”) is a privately-owned company headquartered in Kalamazoo, Michigan. TruNorth Capital was founded in 2012 to provide investment management services primarily to high-net-worth families, individuals, corporations, and others. TruNorth Capital also provides investment management services to employer-sponsored retirement plans and in its capacity acts as a 3(38)-investment manager (as defined under the Employee Retirement Income Security Act of 1976 (“ERISA”)). The majority owners are Brian Mullally, John Schoolman, and Kevin Miller, who collectively bring decades of investment management experience creating client-centric, low-cost investment strategies.

### B. Types of Advisory Services

TruNorth Capital is a fee only Registered Investment Adviser and is a fiduciary to each of its clients. As a such, TruNorth Capital upholds a duty of loyalty, fairness, and good faith towards each client and seeks to clearly disclose and mitigate potential conflicts of interest between the Adviser and its clients. TruNorth Capital and its personnel may recommend TruNorth Capital’s services and its investment adviser representatives in their individual capacities as investment managers and consultants.

The term “fee only” means that TruNorth Capital and its investment adviser representatives will not accept commissions in connection with securities recommendations. Investment adviser representatives are those persons who are authorized to provide advice and manage accounts on behalf of the Adviser. TruNorth Capital is only compensated for advisory services via fees paid by its clients. TruNorth Capital is not a broker/dealer or custodian. Transactions in securities will be executed by an unaffiliated brokerage firm and investment accounts will be held by the client’s selected custodian. The Adviser recommends the services of Charles Schwab & Co., Inc. and clients establish their accounts directly with this service provider. Clients can expect to receive regular account statements directly from the custodian.

Our services include investment management services and, if at the client’s request, retirement and financial planning services are provided to design optimal long-term savings and investment strategies, considering the client’s personalized financial needs, risk tolerance, assets, taxes, estate planning, income, background, and other factors. Planning services are initiated by the client throughout the engagement and there is no obligation to engage in these services. TruNorth Capital also regularly publishes newsletters and blogs to clients and non-clients that have freely subscribed to receive these publications.

Services begin after TruNorth Capital and the client have executed the firm’s investment management agreement. TruNorth Capital provides discretionary investment management services, where clients give us the authority to buy and sell securities for their accounts according to our discretionary decisions and management in line with the client’s agreed upon investment strategy. TruNorth Capital does not provide non-discretionary financial advisory services. If requested by clients, retirement planning services can include collecting, organizing, and analyzing a client’s financial data to provide optimal wealth design through appropriate account structure (including taxable and non-taxable accounts and

strategies used within each) and income tax and estate tax strategies on the basis of the individual needs of the client. TruNorth Capital considers such factors as the size and source of the account, client's identity and background, the client's stated income and growth objectives, cash flow needs, income tax bracket, potential federal and state estate taxes, and the client's relative risk aversion. The individual needs and situation of each client dictate whether both investment supervisory and retirement and financial planning services are utilized.

Clients may choose to make self-directed securities transactions or hold self-directed assets, which are investments that are not reviewed and/or not recommended by TruNorth Capital. In such cases, TruNorth Capital has not passed on the suitability of said investments and while the Adviser may assist with executing client-directed implementation as a value-added service at the client's request, TruNorth Capital will not manage these investments unless agreed in writing. While self-directed securities transactions and assets may be included in the portfolio reports provided to the Client by TruNorth Capital, self-directed assets are excluded from the Fees and Compensation owed to TruNorth Capital as so noted in Item 5. A. (Fee Schedule).

### **Plan Management**

When an employer-sponsored retirement plan client engages TruNorth Capital to act as a fiduciary to the retirement plan pursuant to section 3(38) of ERISA, TruNorth Capital will develop a menu of investment options, to be provided to the retirement plan and therefore its participants. TruNorth Capital will monitor the investment options and will have the discretion to change the menu of investment options, pursuant to TruNorth Capital's agreement with its retirement plan clients.

### **C. Client Tailored Services and Restrictions**

TruNorth Capital focuses on providing individualized services to its clients. TruNorth Capital and the client will share in a data gathering and discovery process in an effort to determine the client's stated needs, goals, intentions, time horizons, risk tolerance and investment objectives, based upon information provided by the client. A client's active participation is expected during the data-gathering process and the formulation of advice and recommendations. The client will complete a risk assessment and we will tailor the investment policy statement of the client to his/her specific investment strategy. Clients must understand that retirement and financial planning may not be fully considered due to the client's current needs or due to the lack of information received, and/or disclosed by the client.

**Limitations on Individual Stocks:** Generally, it is the philosophy of TruNorth Capital to not invest in individual stocks or equity securities. We do recommend exchange-traded funds (ETFs), which trade intra-day on exchanges similar to individual equities. However, we may agree to manage individual equity securities for new clients that have existing holdings.

**Limitations on Mutual Funds:** TruNorth Capital does not generally invest in mutual funds other than no-load mutual funds, which may include lower cost institutional share classes from low-cost, no-load fund advisors.

Limitation by Client: Clients may request reasonable restrictions on investing in certain types of securities, but TruNorth Capital reserves the right to cease management or to not accept a client relationship if the client restrictions would limit our ability to meet the client's investment strategies.

As an independent Investment Adviser, TruNorth Capital neither has nor do we offer proprietary products. For client accounts, we use maximum global diversification with targeted weighting to asset classes that offer the optimal blend of investments with a goal to increase returns and lower risk. We use low-cost, exchange-traded and mutual funds from providers to deliver performance.

Kevin Miller (President and CEO) and Brian Mullally (Co-Founder and Relationship Manager) develop our investment management strategies.

### **Retirement Plan Rollovers**

As previously noted in this Brochure, TruNorth Capital is a fiduciary to each client and the fiduciary duties apply to investment advice in connection with your retirement plan account or individual retirement account within the meaning of Title I of the Employee Retirement Income Security Act (ERISA) and/or the Internal Revenue Code, as applicable, which are laws governing retirement accounts. The way the Adviser earns compensation (asset-based fees for managed accounts) creates some conflicts with your interests, Therefore, TruNorth Capital must operate under a special rule that requires us to act in your best interest and not put his interests ahead of yours. At the time of a rollover recommendation, TruNorth Capital will provide you with a written disclosure discussing the reasons the rollover is in your best interests. Also, under this special rule's provisions, we must:

- \* Meet a professional standard of care when making investment recommendations (give prudent advice).
- \* Never put our financial interests ahead of yours when making recommendations (give loyal advice).
- \* We must provide basic information about conflicts of interests and fees while avoiding misleading statements about these topics and investments
- \* Follow policies and procedures designed to ensure that we give advice that is in your best interest.
- \* Charge no more than is reasonable for our services

A client or prospective client leaving an employer typically has four options regarding an existing retirement plan (and may engage in a combination of these options): (i) leave the money in the former employer's plan, if permitted, (ii) roll over the assets to the new employer's plan, if one is available and rollovers are permitted, (iii) roll over to an Individual Retirement Account ("IRA"), or (iv) cash out the account value (which could, depending upon the client's age, result in adverse tax consequences).

When TruNorth Capital recommends that a client roll their retirement plan assets from a retirement account into a new or existing account (e.g., rollover IRA) to be managed by TruNorth Capital, it serves as a fiduciary under ERISA and TruNorth Capital acknowledges that the recommendation creates a

conflict of interest. The conflict of interest exists because TruNorth Capital will receive an investment management fee if the funds are rolled over and managed by the Adviser. Obviously, the conflict is eliminated if the recommendation is not accepted, or assets are managed by another adviser or the investor. TruNorth Capital's clients are never under any obligation to roll over retirement plan assets to an account managed by TruNorth Capital.

#### **D. Wrap Fee Programs**

TruNorth Capital neither sponsors nor manages a wrap fee program.

#### **E. Assets Under Management**

As of December 31, 2023, the total number of client accounts is 852 and the amount of assets under management is \$415,276,666. All assets are managed on a discretionary basis.

### **Item 5: Fees and Compensation**

#### **A. Fee Schedule**

TruNorth Capital receives a fee in arrears on a quarterly basis for our investment management services based on a percentage of the client's total assets under management, according to the following fee schedule:

Assets Under Management	Annual Fee Rate
Up to the first \$2 million	0.33%
Over \$2 million	0.25%
Over \$10 million	0.10%
Minimum Fee	\$1,250/quarter

Each quarterly fee is calculated by multiplying the portfolio value as of the end of the prior quarter (as determined by the custodian) by  $\frac{1}{4}$  of the Adviser's annual fee. Self-directed securities assets as described in Item 4. B. (Types of Advisory Services), which are not managed TruNorth Capital, are excluded from the above fee schedule.

We may aggregate client accounts with family or business relationships in order to determine the fee schedule that applies as agreed upon by TruNorth Capital and the client at engagement. TruNorth Capital reserves the right to limit the family or business relationship aggregation policy in our sole discretion according to the circumstances.

The above fee schedule applies to client engagements effective on or after January 1st<sup>t</sup>, 2023. TruNorth Capital will continue to honor and apply the fee schedule as agreed upon with clients engaged prior to January 1st, 2023.

For clients who engaged TruNorth Capital prior to January 1, 2023, the Adviser will continue to honor and apply the fee schedule as agreed upon in our executed client agreement.

One other exception to the 2023 fee schedule applies to clients transferring from an unaffiliated adviser whereby TruNorth Capital has agreed to grandfather clients' existing management fee schedule during the transition process and for a time period as agreed between Adviser and client.

We retain the right to waive, or apply, our minimum fee based on client situations, which may include, but are not limited to, consideration of family assets, future deposits, and current savings behavior. The decision to waive, or begin to apply the stated minimum, will be documented in an updated service agreement and applicable in the quarter following the agreed upon adjustment. TruNorth Capital's investment management fee may be higher or lower than may be available through other advisers providing similar services.

Clients may ask to negotiate their fees and TruNorth will consider their individual situation. As a result, some client circumstances could result in an annual fee lower than our stated fee.

The client-initiated retirement and financial planning services performed by TruNorth Capital are provided on a complimentary basis.

## **B. Payment of Fees**

If the client pays fees directly to TruNorth, fees are due upon receipt of the invoice by the client. Client should promptly notify TruNorth Capital with any questions or concerns in connection with the fee calculation.

Unless paid directly to TruNorth Capital, clients authorize TruNorth Capital to deduct advisory fees from their custodial accounts by way of their custodial forms and TruNorth Capital's client agreement. TruNorth Capital adheres to the following criteria when payment is made via a qualified custodian as required by the SEC's Investment Advisers Act:

1. Our client provides written authorization permitting the fees to be paid directly from the client's account held by the independent qualified custodian and the authorization is limited to withdrawing contractually agreed upon investment management fees.
2. Our client will directly receive regular account statements from the qualified custodian and these statements will reflect the Adviser's fee deduction.
3. The frequency of fee withdrawal shall be specified in TruNorth Capital's client agreement.
4. The custodian shall be advised in writing of the limitation on the Adviser's access to the account.
5. Our client shall be able to terminate the written billing authorization or agreement at any time.

If the designated account(s) do not contain sufficient funds to pay advisory fees, the client can leave standing orders to deduct fees via other accounts. In the absence of alternate instructions, the Adviser will issue an invoice for advisory fees to the client and fees are due upon receipt.



It is important to note that custodial firms do not verify advisory fees. Therefore, clients should review their custodial statements carefully. If a client should have any questions or concerns in connection with an advisory fee deduction, they should promptly contact TruNorth Capital.

If at any time during the engagement, our client fails to directly receive the regular statements produced by the custodian, it is important for the client to promptly notify TruNorth Capital and the custodial firm. If you move, it is vitally important to promptly notify the Adviser and the custodial firm of your new address.

If a client has received TruNorth Capital's disclosure brochure less than 48 hours prior to signing the investment advisory contract, the client may terminate the investment advisory contract within five (5) business days of signing the contract without incurring any advisory fees. Alternatively, TruNorth Capital or its clients may terminate their relationship at any time with 10 days prior written notice, and fees will be prorated to the effective date of termination. Upon termination TruNorth Capital will instruct the custodian to withdraw all remaining outstanding investment management fees payable to TruNorth Capital from the client. TruNorth Capital will not liquidate any securities in a client's accounts after termination notification has been issued and assets will continue to custody at the custodian until the client contacts the custodian to arrange to self-direct the assets or transfer the accounts.

### **C. Other Fees and Expenses**

Clients are responsible for the payment of all third-party fees associated with investing. Clients may pay transaction and brokerage commission to their broker/dealer or other service providers (*"Financial Institution[s]"*) as well as any fees associated with their particular accounts (e.g., account opening, maintenance, transfer, termination, wire transfer, retirement plan, trust fees, and all such applicable third-party fees, deferred sales charges, odd-lot differentials, transfer taxes, wire transfer and electronic fund fees, and other fees and taxes on brokerage accounts and securities transactions. All fees paid to TruNorth Capital for advisory services are separate from the fees and expenses charged to shareholders of ETF's or mutual fund shares offered by mutual fund companies. If a mutual fund previously purchased by or selected by a client should impose a sales charge, a client may pay an initial or deferred sales charge. TruNorth Capital is a fee-only investment adviser and does not receive any portion of these investment-related fees. Such charges, fees and commissions are exclusive of and in addition to the Adviser's fees. A complete explanation of the expenses charged by a mutual fund or ETF is contained in the respective mutual fund prospectus. Clients are encouraged to read each prospectus and securities offering documents.

For Retirement Plans: The plan's administrator is required to provide participants with a disclosure of the costs associated with the investment options offered under the plan, pursuant to §404(a)(5) of ERISA.

Portfolio additions may be in cash or securities provided that the Adviser reserves the right to liquidate any transferred securities or decline to accept particular securities into a client's account. The Adviser may consult with its clients about the options and ramifications of transferring securities. However, clients are hereby advised that when transferred securities are liquidated, they

are subject to transaction fees, fees assessed at the mutual fund level (i.e., contingent deferred sales charge) and/or tax ramifications. TruNorth Capital does not receive any portion of these fees.

#### **D. Pre-Payment of Fees**

We do not accept investment management fees paid in advance.

#### **E. Other Compensation**

TruNorth Capital and its team do not receive any form of compensation or benefits in conjunction with advisory services provided to clients from any other sources. TruNorth Capital is a fee-only investment adviser and is only compensated via investment management fees paid by its clients.

### **Item 6: Performance-Based Fees and Side-by-Side Management**

TruNorth Capital does not receive any performance-based fees that are based on a share of capital gains or capital appreciation on the assets in a client's portfolio. Therefore, TruNorth Capital does not engage in side-by-side management (managing performance accounts alongside non-performance accounts).

### **Item 7: Types of Clients**

TruNorth Capital provides discretionary investment management services to individuals, high net worth individuals and families, family offices, retirement plan participants, charitable foundations, corporations, pension and profit-sharing plans. TruNorth Capital does not impose a minimum account size to open an account or establish a relationship. As noted at Item 5 of this Brochure, the Adviser charges a \$1250 minimum quarterly fee.

### **Item 8: Methods of Analysis, Investment Strategies and Risk of Loss**

TruNorth Capital uses low-cost, diversified management strategies by investing tactically in mutual funds, exchange traded funds, individual bonds, and certificates of deposit (CDs) with the goal to create optimal risk/ return opportunities for our clients. Our strategy involves using multiple global asset classes, sectors, market capitalization and styles to manage risk through diversification. We focus on the goal of increasing the probability of achieving stated returns that clients seek in an effort to meet their long-term financial goals. Of course, no single theory or strategy can guarantee success.

While not part of the standard investment strategy, TruNorth Capital may agree to utilize options for certain clients who request to include these investments in their overall strategy. TruNorth Capital does not use options to speculate on the direction of the stock price, but instead as a risk-mitigation technique, intended to either help generate income or hedge downside risk, or a combination therefore, as deemed appropriate for the client's portfolio. As such, TruNorth Capital may utilize options strategies (including covered options, uncovered options, and spread strategies), to help meet a client's investment objectives.

When we first start working with a client, we use technology and planning tools to analyze the client's stated individual risk profile. Clients with similar results and financial profiles may have similar investment strategies. If requested by the client, we will also consider tax implications of our investment strategies for each client and will work with clients and their tax counsel to help ensure we are providing tax-optimized investment management services.

TruNorth Capital uses many sources of market and security specific information to help guide our decision-making on behalf of clients.

Our investment team reviews each client portfolio at least quarterly to make sure that the client's investment strategies are managed according to targeted asset allocation goals and other factors. Periodic rebalancing actions will be taken by TruNorth Capital when we determine that portfolio variances and asset classes (capitalization and sectors) exceed targets desired.

Each client should evaluate the following about risk in investing with TruNorth Capital before agreeing to work with us as a client:

1. No single investment strategy when investing in securities can guard against loss. Investing in securities involves risk of loss, which clients should be prepared to bear. Risks due to market volatility, macroeconomic changes, legal, regulatory, social and other factors can negatively impact a client's security portfolio.
2. Portfolio values fluctuate over time due to market and security-specific factors and you may see portfolio values decline to asset values less than what you invested.
3. Returns are not guaranteed, and past performance does not guarantee future results.
4. Unless instructed otherwise by a client, TruNorth Capital is a long-term investor and we focus on strategies that are multi-year. In general, we invest for ten-year time horizons and minimize market timing.

It is important to understand that investing in securities involves a risk of loss that a client should be prepared to bear.

### **Types of Securities – Material Risks Involved in Investing**

TruNorth Capital generally seeks investment strategies that do not involve significant risk or unusual risk beyond that of the general domestic and / or international equity markets.

#### **Exchange-Traded Funds (ETFs)**

An exchange-traded fund (ETF) is an investment fund traded on a stock exchange, much like a stock, with intraday trading and market-fluctuating prices. Most ETFs track an index, such as the S&P 500, and TruNorth Capital invests in only market and sector ETFs. Underlying stock and bond prices as well as overall market conditions will affect ETF pricing. Sector and industry-focused ETFs may also be exposed to risks related to their specific sector or industry. ETF investments, like any stock or other investment security, may lose money.

### Mutual Funds (Open-end Investment Company)

A mutual fund is a regulated, professionally managed collective investment product that pools money from many investors to purchase securities that may include stocks, bonds or other assets domestically and globally. Investors in mutual funds pay fees to the fund managers via expenses charged by the pools of funds from shareholders. An investment in a mutual fund is a risky investment and may lose value over time due to market, sector and manager related risks.

TruNorth Capital may invest in stock, fixed income (bond), and money market mutual funds.

Stock mutual funds invest in securities traded on domestic and global stock exchanges as described in the fund's prospectus. There are many different classifications of stock mutual funds, which can include capitalization-specific funds (large cap funds), sector funds (energy), index funds (international market index) and other funds. Not all mutual funds are the same and investors should be aware of their specific differences before investing. Market-related risks and fluctuating prices pose significant risks to investors in stock mutual funds.

Bond mutual funds invest in fixed income securities that meet the fund's specific goals and objectives. Bond securities purchased by the fund managers represent the underlying assets of the fund. Risks from bond mutual funds include interest rate risk (interest rate levels affect bond prices), credit risk (bond issuers may be unable to pay their debts on the bond), and market risk.

### Bonds

A bond is a fixed income instrument that represents a loan made by an investor to a borrower (typically corporate or governmental). A bond could be thought of as an I.O.U. between the lender and borrower that includes the details of the loan and its payments. A bond has an end date when the principal of the loan is due to be paid to the bond owner and usually includes the terms for variable or fixed interest payments that will be made by the borrower. Bonds are used by companies, municipalities, states, and sovereign governments to finance projects and operations. Owners of bonds are debtholders, or creditors, of the issuer. Bond risks include interest rate risk (interest rate levels affect bond prices), credit risk (bond issuers may be unable to pay their debts on the bond), and market risk.

### Certificate of Deposit (CD)

A CD is a savings certificate with a fixed maturity date and specified fixed interest rate that can be issued in any denomination aside from minimum investment requirements. A CD restricts access to the funds until the maturity date of the investment. CDs are generally issued by commercial banks. Investing in CDs is considered relatively safe. Assuming there are no early withdrawal penalties, the investment is considered to be as safe as cash in a savings or checking account.

### Options

An option is a contract that gives the buyer the right, but not the obligation, to buy or sell an asset (such as a share of stock) at a specific price on or before a certain date. An option, just like a stock or bond, is a

security. An option is also a derivative because it derives its value from an underlying asset.

A call provides the right to buy an asset at a certain price within a specified period of time, whereas a put provides the right to sell an asset at a certain price within a specified period of time.

A covered call strategy involves selling an option on a security already owned. An investor selling the option will receive premium income for making the option available, and the investor purchasing the option has the right to buy the security at an agreed upon price.

A protective collar strategy involves two strategies known as a protective put and covered call. The protective put option is purchased to hedge the downside risk on a stock and the call option is written on the stock to finance the put purchase.

Clients should be aware that options carry additional risks and are not suitable for all investors. In addition, investors must meet certain requirements established by various custodians in order to participate in options trading. Hedging and protective strategies generally involve additional costs and do not assure a profit or guarantee against loss. There are risks associated with options trading that can result in the loss of principal. Investments, such as options, that employ leverage can increase the risk of loss of principal.

#### ESG Investing

Some clients may express an interest in investments that incorporate environmental, social, and governance (“ESG”) factors. TruNorth Capital does not offer pre-designed ESG strategies. However, we may agree to help in reviewing various mutual funds and ETFs that have ESG objectives. In such cases, TruNorth Capital and the client will consider research prepared by unaffiliated companies that provide screening tools such as fi360, ETF Action, and Schwab research reports.

Negative screening excludes issuers that are deemed to have negative ESG characteristics and positive screening selects issuers that are deemed to have positive or best-in-class ESG characteristics. Norms-based screening is a subcategory of negative screening, excludes issuers if they fail to meet minimum standards based on norms as may be established by the SEC. TruNorth Capital and the client may consider ESG factors alongside other factors, such as macroeconomic trends or company-specific factors to seek enhanced performance and to help manage investment risks. TruNorth Capital will work with the client to develop an investment selection and strategy that best suits the client’s stated goals and objectives

As with other forms of investment research and strategy development, results may not yield desired outcomes. ESG investing is still relatively young, and investors and managers need to understand there are limitations in the research and due diligence processes because that data relies on information companies provide to regulators, third-party due diligence firms, investment advisers, investors, etc. Examples include but are not limited to:

1. Not all ESG factors are easily quantifiable, and such factors may not directly translate into earnings growth or enhanced performance.
2. Corporate sustainability disclosures are heavily skewed towards process and procedures and not towards actual performance.
3. ESG data may measure whether a company has a relevant policy in place but having a policy in place does not measure the level of commitment towards implementing that policy.
4. Applying the same set of factors to companies in different geographies and industries with varying business practices can also be challenging.
5. Ratings companies follow different methodologies in arriving at ESG scores.
6. ESG research can be backward-looking and may fail to capture anticipated changes.

It is important to understand that investing in securities involves a risk of loss that a client should be prepared to bear.

### **Item 9: Disciplinary Information**

TruNorth Capital does not have any legal or disciplinary events such as a criminal or civil action, administrative proceeding, and/or self-regulatory organization proceeding to disclose that could affect our advisory business or the integrity of our management. The Adviser's registration record does not reflect the existence of any data that would be material to a client's or prospective client's evaluation of TruNorth Capital and its management.

### **Item 10: Other Financial Industry Activities and Affiliations**

TruNorth Capital does not have any relationships with broker-dealers, futures merchants, commodity pool operators, investment companies, banks, accountants, insurance companies or agents, other entities or related persons which may create any conflict of interest. While we may recommend other advisers for clients, such as estate planners, tax or other advisors, we receive no compensation for these referrals which could create a conflict of interest. Clients are welcome to act on a complimentary referral at their own discretion.

TruNorth Capital is not registered as a broker-dealer and has no application pending. TruNorth Capital's management persons and investment adviser representatives are not registered representatives of a broker-dealer and have no registrations pending.

TruNorth Capital, its management persons, and its Investment Adviser Representatives are not registered as a futures commission merchant, commodity pool operator, a commodity trading advisor, or an associated person of the foregoing entities, and no registrations are pending.

Neither TruNorth Capital nor its Investment Advisor Representatives sell any insurance products and are not licensed to do so.

TruNorth Capital does not recommend the services of any other investment advisers.

TruNorth Capital does not have any relationship, arrangement or affiliation that is material to our advisory business or to our clients with any of the following:

1. Broker-dealer, municipal securities dealer, or government securities dealer or broker.
2. Investment company or other pooled investment vehicle (including a mutual fund, closed-end investment company, unit investment trust, private investment company or “hedge fund,” and offshore fund).
3. Other investment adviser or financial planner.
4. Futures commission merchant, commodity pool operator, or commodity trading advisor.
5. Banking or thrift institution.
6. Accountant or accounting firm.
7. Lawyer or law firm.
8. Pension consultant.
9. Real estate broker or dealer.
10. Sponsor or syndicator of limited partnerships.

TruNorth Capital purchased a membership with DPL Financial Partners, LLC (“DPL”). DPL is a third-party provider of a platform of insurance consultancy services to SEC-registered investment advisers (“RIAs”) like TruNorth Capital that have clients with a current or future need for insurance products. DPL offers RIAs memberships to its platform for a fixed annual fee. Services include, among others, providing members with analyses of their current methodology for evaluating client insurance needs, educating and acting as a resource to members regarding insurance products generally and specific insurance products owned by their clients or that their clients are considering purchasing, and providing members access to and product marketing support regarding fee-based products that insurers have agreed to offer to members’ clients through DPL’s platform. TruNorth Capital and its investment adviser representatives are not licensed to sell insurance or any insured products. Clients are welcome to utilize any resulting recommendations in whole or in part via the financial service provider(s) of their choosing. Where the Adviser assists in placing fee-based annuity products that will be managed by the Adviser, TruNorth will provide the basis for its recommendation and investment advisory fee disclosure in writing.

Owners Brian Mullally and John Schoolman are involved in other business activities which are separate and distinct from that of TruNorth Capital and do not involve securities or financial services. Additional details regarding other business activities are provided Mr. Mullally’s ADV 2B. Two married clients of TruNorth Capital are investors and one is an officer of the other business. The relationships between these persons, the outside business activity, and Mr. Mullally and John Schoolman, preceded the advisory relationship. The relationship does not conflict with the investment advisory services provided by TruNorth Capital. The owners and any related entities do not market investments to TruNorth Capital’s clients.

## **Item 11: Code of Ethics, Participation or Interest in Client Transactions and Personal Trading**

TruNorth Capital is a fiduciary to each client. Client interests are first and at the core of TruNorth Capital’s business and Code of Ethics. The TruNorth Capital Code of Ethics has established a standard of ethics, actions and conduct that places our clients first. This Code of Ethics is what our team is required to abide by at all times as it relates to business and personal ethics, service, and team.

TruNorth Capital does not purchase securities in which TruNorth Capital, its team or any related person has a material financial interest. Although, we may have similar investment goals and may invest in similar investments.

As part of our Code of Ethics, we have established standards related to personal trading. While TruNorth Capital and its team may purchase securities on their own behalf that we also recommend for clients, team members will report all required personal securities transactions to the Chief Compliance Officer on a quarterly basis. Reportable trades include all but the following exceptions:

1. Transactions effected pursuant to an automatic investment plan.
2. Securities held in accounts over which the access person has no direct or indirect influence or control.
3. Transactions and holdings in direct obligations of the Government of the United States.
4. Money market instruments — bankers' acceptances, bank certificates of deposit, commercial paper, repurchase agreements and other high-quality short-term debt instruments.
5. Shares of money market funds.
6. Transactions and holdings in shares of mutual funds are not reportable, since the Adviser does not have a material relationship with an investment company which would otherwise require reporting.
7. Transactions in units of a unit investment trust are not reportable if the unit investment trust is invested exclusively in unaffiliated mutual funds.

All applicable securities rules and regulations will be strictly enforced. TruNorth Capital will not permit insider trading.

We will provide our Code of Ethics to any client or prospective client upon request.

## **Item 12: Brokerage Practices**

### **A. Factors Used to Select Custodians and/or Broker-Dealers**

There are several factors that we consider when selecting a broker-dealer for client transactions and when determining the reasonableness of their commissions on transactions: cost, efficiency, technology, service, and execution. TruNorth Capital recommends Charles Schwab & Co., Inc., TIAA-CREF Individual & Institutional Services, LLC and Newport Group, Inc.

Unless another custodian is required, at the client's discretion, clients will open up a brokerage account in their name at Charles Schwab & Co. Inc. (Schwab) and as such clients also enter into a separate custodial relationship with Schwab. TruNorth Capital is not affiliated with Schwab and its Investment Advisor Representatives are not registered at Schwab. Our clients then provide us with a limited power of attorney via our client agreement and other documents that allows us to manage their portfolio.

Schwab will charge brokerage commissions (transaction fees, other charges) for trading in securities. TruNorth Capital receives no compensation from Schwab for any brokerage transactions in your account. Schwab will provide us with access to their institutional trading and research platforms, services which generally are not available to Schwab's other retail clients because they are not



institutional clients and would not likely have the sufficient asset minimums to warrant receipt of these services.

TruNorth Capital and/or individuals associated with TruNorth Capital may have similar investment goals and objectives and as a result may buy or sell securities for their personal accounts that may be identical to or different from those recommended to clients. Thus, at times, the interests of TruNorth Capital and its team's accounts may coincide with the interests of clients' accounts. However, at no time will TruNorth Capital or any related person receive an added benefit or advantage over clients with respect to these transactions nor will TruNorth Capital or its associated persons place itself/themselves in a position to have added benefit as a result of advice given to clients.

TruNorth Capital's overall objective is to use a broker-dealer relationship in order to receive the lowest cost, highest level of execution and service. In the event it is revealed that our brokerage relationship is not providing the optimal combination of price and services to our clients, we will no longer use that broker dealer for services.

While other broker-dealers could be utilized to provide us with trading services and brokerage services, these other brokers may come at a higher cost to utilize than Schwab. As a result, we are more likely to continue to use Schwab for brokerage services.

Regarding retirement plan sponsor clients of TruNorth Capital, we cannot guarantee best execution for investment vehicles which are captive to the plan's custodian or other third-party administrator that provides services to the client.

### **Research and Other Soft Dollar Benefits**

TruNorth Capital does not have any soft dollar relationships with any third parties. Generally speaking, soft dollars are benefits (primarily investment research and brokerage services) that investment advisors may receive in exchange for directing trade activity to a particular brokerage firm.

The services we receive from Schwab help us provide our investment management services to most clients, but they may not benefit individual clients directly. Services we receive include trading systems; broker-dealer and third-party research; account management services; administration and accounting information; record keeping software; fee services for deduction of payments from client accounts; performance reports; market pricing and security data information. We have an incentive to use a broker-dealer in order to obtain research or other products or services, rather than holding our client's interests in obtaining the most favorable execution. However, we believe this incentive is nominal and it does not affect our independence.

### **Brokerage for Client Referrals**

TruNorth Capital does not accept or receive any client referrals in exchange for broker dealer services it utilizes.

### **Directed Brokerage**

Clients are not allowed to direct TruNorth Capital to use a specific broker dealer for transactions. Not all advisers require their clients to direct brokerage through specific broker dealers. We use Schwab for custody, trading and brokerage services at this time.

### **B. Aggregation of the Purchase and Sale of Securities**

TruNorth Capital does not aggregate client security transactions for multiple clients to be executed at the same time. Therefore, TruNorth Capital will buy and sell securities for client accounts at different times and in different amounts (lots or number of shares). Different client investment objectives, available securities to buy or sell and other factors make it in the judgment of TruNorth Capital, more advantageous to not effectuate a block transaction or aggregated trade given the individualized approach we take with each portfolio and the limited amount of trades that are executed.

### **Item 13: Review of Accounts**

TruNorth Capital internally reviews client accounts at least quarterly to make certain a client's portfolio is in-line with its target asset allocation. Overall positions of all portfolios are generally reviewed daily. Portfolio reviews are completed by Kevin Miller, President, CEO and Kristin Bennett, Relationship Manager and Investment Adviser Representative.

If not requested by the client, we regularly schedule review sessions with clients either in-person, by phone or by email with a goal that clients make themselves available to TruNorth Capital to review accounts at least annually. TruNorth Capital wants to make sure that our client's investment objectives are aligned to optimize performance and to meet the client's stated goals and objectives. Clients are obligated to promptly inform TruNorth Capital of changes in their financial situation as so to give us the opportunity to review the situation and modify the investment strategy, if necessary. For example, a change in a financial situation may be the loss of a job, a significant change to one's income, etc.

Clients can expect to receive statements at least quarterly from their custodian detailing the positions in their portfolio, as well as the account transactions that have occurred in the portfolio during that monthly time period. We issue quarterly performance reports with further detail. Clients may request further customization as to the type and frequency of reports and discussions with TruNorth Capital on an as-needed basis.

Financial planning reviews, if desired during the engagement, are client-initiated.

### **Item 14: Client Referrals and Other Compensation**

TruNorth Capital does not receive any economic benefit for providing investment advice or other advisory services to our clients from a non-client.

We do not compensate any persons who are not supervised persons under TruNorth Capital for client referrals.

## **Item 15: Custody**

Schwab is the primary custodian for Client accounts managed by TruNorth Capital unless another custodian is required by the client. Clients receive from Schwab monthly statements directly. Quarterly account statements and performance reports will be sent by TruNorth Capital to clients as well for supplemental information. Clients should always review their account statements carefully. Clients should compare the account statements they receive from TruNorth Capital with the account statements they receive from Schwab. Clients that have any questions on their account statements should contact TruNorth Capital immediately so we may be of assistance.

TruNorth Capital generally does not hold directly or indirectly client funds or securities which would otherwise deem TruNorth Capital as having custody. However, clients do authorize TruNorth Capital to automatically deduct fees from their accounts, so we have constructive custody, but we meet the applicable custody rule requirements which permit us to deduct the fees and the statements received by clients directly from custodians reflect the deduction of our advisory fees.

## **Item 16: Investment Discretion**

Clients grant TruNorth Capital with limited investment discretion to determine securities that are bought and sold in client portfolios. We are granted discretionary authority to invest client portfolios on a discretionary basis when clients execute our investment management services agreement authorizing our discretionary authority. Clients also provide us with the authority to trade their portfolio when they sign up for custody of their accounts with Schwab. As discussed at Item 4.C of this Brochure, Clients may set reasonable restrictions on the types of securities we purchase in their managed portfolios.

## **Item 17: Proxy Voting / Voting Client Securities**

Clients retain the authority to vote proxies. TruNorth Capital requires that investors ensure proxy ballots are mailed directly to each investor or an authorized third party. TruNorth Capital will not take action with respect to any securities or other investments that become the subject of any legal proceedings, including bankruptcies.

While TruNorth Capital does not vote proxies for clients, it is available to assist clients with questions and concerns relating to proxies. We do not engage in proxy-related discussions with non-clients and do not solicit proxies.

In the event TruNorth Capital's advice is solicited by its clients, we shall abide by the following conditions:

1. TruNorth Capital will disclose any significant relationship with the issuer, its affiliates or a security holder proponent of the matter on which proxy voting advice is given, as well as any material interest of us in the matter.
2. TruNorth Capital will not accept any form of special consideration from any person, other than the security holder recipient thereof, in exchange for furnishing voting advice.

3. Voting advice will not be furnished on behalf of any person soliciting proxies, or on behalf of a participant in an election contest subject to SEC Rule 14a-11.
4. TruNorth Capital shall not communicate with the press concerning a proxy.

On August 1, 2020, TruNorth Capital was granted registration by the SEC. At which time, TruNorth Capital amended its Discretionary Investment Management Services Client Agreement (Client Agreement) as so to have Clients retain the authority to vote proxies. Under prior Client Agreements, TruNorth Capital accepted and still has the authority to vote Client proxies pertaining to securities held in a client's account. Until a Client's Client Agreement is restated, we will vote all proxies in favor of proposals and recommendations of the board of directors of securities held. Any Clients who disagree with this policy may reserve the right to vote their own proxies. A Client may request to vote their own proxies by sending a written request to our main office address listed on the cover page of this brochure. Although it is highly unlikely, it may be possible that TruNorth Capital may be called on to vote a proxy in a situation that may cause a conflict of interest. If any vote would cause a possible conflict of interest, we will contact the Client for consent prior to casting a vote on behalf of a client. Information regarding how the proxies pertaining to the Client's account were voted can be obtained from TruNorth Capital by sending a written request for the information to our main office address listed on the cover page of this brochure.

Deviations from these policies will result in a prompt amendment of this ADV 2 Brochure and may require TruNorth Capital to comply with SEC Proxy Registration Rules.

### **Item 18: Financial Information**

TruNorth Capital does not require or solicit prepayment of any fees. Registered Investment Advisers are required to provide a balance sheet for their most recent fiscal year if they require or solicit prepayment of more than \$1,200 in fees per client six months or more in advance.

TruNorth Capital has never been the subject of a bankruptcy petition. TruNorth Capital and its management personnel do not have any financial conditions that are reasonably likely to impair its ability to meet contractual commitments to clients. In light of the recent uncertainty given the COVID-19 pandemic, as a precautionary measure, a subsidiary of TruNorth Capital that is used as a pass-through entity for payroll purposes did apply and received a loan under the Paycheck Protection Program. The decision to apply for the loan was based on the future uncertainty and volatility in the financial markets. Further consideration was given to the potential of financial stress and/or the possibility TruNorth Capital would need to hire temporary staff if members of its team became ill from the coronavirus. The loan was forgiven.