

# Eggerss Capital Management

## Client Brochure

*This Brochure provides information about the qualifications and business practices of Eggerss Capital Management. If you have any questions about the contents of this Brochure, please contact us at 210-526-0057 or via email at [karl@eggersscapital.com](mailto:karl@eggersscapital.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.*

*Eggerss Capital Management is a registered investment adviser. Registration of an Investment Adviser does not imply any level of skill or training. The oral and written communications of an Adviser provide you with information about which you determine to hire or retain an Adviser.*

*Additional information about Eggerss Capital Management is also available on the SEC's Web site at [www.adviserinfo.sec.gov](http://www.adviserinfo.sec.gov).*

*The firm's CRD number is: 152890*

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## ITEM 2: MATERIAL CHANGES

Since the Firm's last filing of, Form ADV Part 2A which was dated July 22, 2016, the Firm has experienced the following material changes:

1. Eggerss Capital Management has switched from a state registered firm to a SEC registered firm.
2. Item 4, Section B Type of Advisory Services-Dividend Plus Strategy additional wording has been added.
3. Item 4 Section B Type of Advisory Services- Options has been added.
4. Item 4 Section B Type of Advisory Services- Added Bond strategy
5. Item 5 Section A Description of Compensation and Basic Fee Schedule has been changed.
6. Item 8 Section C Risks of Specified Securities Utilized- Option Risks has been added.

Currently, Eggerss Capital's (ECM) Brochure may be requested by contacting Karl Eggerss, CCO, by phone at 210-526-0057 or via email at [karl@eggersscapital.com](mailto:karl@eggersscapital.com). Additionally, the Brochure is available on Eggerss Capital's Web site at [www.eggersscapital.com](http://www.eggersscapital.com).

Additional information about Eggerss Capital is also available via the SEC's Web site at [www.adviserinfo.sec.gov](http://www.adviserinfo.sec.gov). The SEC's Web site also provides information about any persons affiliated with Eggerss Capital who are registered, or are required to be registered, as investment adviser representatives of Eggerss Capital.

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## **ITEM 4: ADVISORY BUSINESS**

### **A. Firm Description**

Eggerss Capital is currently registered with the State of Texas as an investment adviser. The Firm originally became registered with the Securities and Exchange Commission in February 2010. In May 2012 the Firm switched to a state registered firm and became registered with the Texas State Securities Board. Karl Eggerss is the sole owner of the firm.

### **B. Types of Advisory Services**

Eggerss Capital provides investment advisory and consulting services to individuals, trusts, estates, corporations, and non-profits. Investment advice and portfolio management services are provided on a continuing basis, which includes the appropriate allocation of managed assets among cash, stocks, bonds, mutual funds and alternative investments. This selection of specific securities will provide proper diversification and help meet the client's stated investment objectives. These services include discretionary management services.

Eggerss Capital currently utilizes seven investment strategies when managing client accounts. These strategies, and a brief description of each, are as follows:

#### **Conservative Income**

This strategy is for those seeking income in pursuit of higher returns than liquid savings accounts. Some volatility is expected, but anticipated to be less than a diversified bond index, such as the Barclay's Aggregate Bond Index. Various bond funds and short-term fixed income instruments may primarily be used and turnover in this strategy is very low. Risk is managed by blending together a combination of funds or securities with complementary risk exposures to reduce volatility.

#### **Bond**

This strategy is designed for those seeking a steady stream of income. The main type of vehicle used in this strategy will be individual bonds. However, various bond mutual funds and bond Exchange Traded Funds ("ETF's") may be used to hedge some of the risk of the bonds and for overall diversification. Several different maturities and individual securities will be used. Moderate volatility may be experienced at times.

#### **Income**

This strategy is designed for those seeking a steady stream of income. Growth is a secondary consideration and turnover will be low to moderate. Several types of securities including bonds, Real Estate Investment Trusts ("REITs"), preferred stocks, Exchange Traded Funds ("ETF's"), stocks, Master Limited Partnerships ("MLPs"), Business Development Companies ("BDCs") and mutual funds may be used in this strategy to achieve the goal of income.

Moderate volatility may be experienced at times, but less than what would be expected for traditional stock or growth-oriented strategies. Risk is primarily managed by blending together a combination of funds or securities with complementary risk exposures to reduce volatility. Higher levels of cash can be raised and inverse ETFs may also be used at times.

### **Growth**

This strategy is designed for those seeking growth through capital appreciation with income being a secondary consideration. A fundamental and technical approach will be taken in determining the types of investments which will be bought and sold. Several types of securities including stocks, ETFs, mutual funds, and REITs, MLPs, and BDCs may be used. Turnover will be moderate to high. Volatility similar to common stock market indices may be experienced at times. This strategy may use higher levels of cash and inverse ETFs at times to manage volatility.

### **Dividend Plus**

This strategy is designed to deliver a steady stream of primarily qualified dividend income, annual income growth and capital appreciation by selecting stocks with high dividend yields and a history of dividend growth. A fundamental and technical approach will be taken in determining the types of securities which will be bought and sold. Several types of securities including stocks, ETFs, mutual funds, and REITs, MLPs, and BDCs may be used. Turnover will be low to moderate. Volatility similar to common stock market indices may be experienced at times, but historically this style of stock investing generally has experienced less volatility than broad stock market indices. This strategy may also use higher levels of cash and inverse ETFs at times to manage volatility.

Please note that there is no guarantee that any dividends will be paid. Dividends are paid at the sole discretion of the individual companies.

### **Aggressive Growth**

This strategy is designed for those seeking maximum capital appreciation. Income is not a consideration. A fundamental and technical approach will be taken in determining the types of investments which will be bought and sold and holding periods may be extremely short. Primarily, ETFs will be used in this strategy, but other securities such as individual stocks, mutual funds, REITs, MLPs, and BDCs may also be used. Turnover in this strategy will be high. This portfolio can be riskier than our other strategies. This strategy may use higher levels of cash and inverse ETFs at times to manage volatility.

### **Multi-Asset**

This strategy is designed for those seeking long term growth with volatility managed by taking a balanced approach and diversifying among several different asset classes. No individual securities will be used, but rather diversified exchange-traded funds or mutual funds. The portfolio will be rebalanced when appropriate as assets classes drift from their targets or as ECM sees fit within each clients' investment policy statement (IPS). As such, turnover will be low to moderate; depending on market volatility as greater volatility will increase the benefits of rebalancing. Volatility is expected to be greater than diversified bond portfolios, but less than diversified stock portfolios.

On a case-by-case basis, when appropriate for the Client, Eggerss Capital may also recommend the purchase of alternative investments. These alternative investments would be held outside the Client's portfolio with Schwab, Fidelity, or TD Ameritrade. ECM receives no compensation on these recommendations.

Options may be used to compliment existing strategies. 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.

"Covered calls" will primarily be the strategy used when using options, in which we sell an option on security the client owns. In this strategy, the client receives a premium for making the option available, and the person purchasing the option has the right to buy the security from you at an agreed-upon price.

Options will be used on a client by client basis and will primarily be used in the Dividend Plus Strategy.

### **Financial Planning**

Eggerss Capital also provides financial advisory planning services including comprehensive financial planning, fact-finding, goal setting, estate planning strategies, wealth distribution and plan implementation services. Planning services will be summarized by a written plan for the client, which reflects the client's current financial circumstances, financial outlook and personal objectives. Hourly charges are negotiated (\$200-\$300 per hour), depending on the scope of work. Plans range from \$500 to \$10,000 based on a client's individual circumstances and how many hours it will take to complete the plan. A separate financial planning services contract is executed with each client using this service. An initial deposit of half of the total fee will be required upon executing this contract, with the balance due upon presentation of the plan to the client. A client may rescind this contract within five business days of execution and any deposit is refundable. If the client chooses to have the investment adviser representative implement the financial plan, the investment adviser representative will establish a fee-based account for the client on a case- by- case basis.

### **Consulting - Non-Discretionary Consulting Services**

Eggerss Capital provides the following additional services:

- Asset Allocation; Risk Modeling; Money Manager Research; Mutual Fund Research; Alternative (or Illiquid) Investment Research; and Continual Monitoring and Due Diligence.

Eggerss Capital will generally provide non-discretionary consulting services for a fee, based upon a percentage of the client's assets for which consultation is provided. In addition, clients will pay all account fees, custodian fees, and mutual, closed-end, and exchange-traded fund expenses. Clients will incur brokerage and other transaction costs associated with any direct transaction.

### **Retirement Plan Services (Institutional)**

Regarding Corporate Retirement Plan accounts, ECM begins with an analysis of the current retirement plan structure, custodian, third party administrator, daily record keeper, investments, managed investment models, and fees. The analysis is designed to determine if ECM is able to add value to the plan and what areas, if any, may be deficient from both a regulatory perspective and from a financial advisory perspective. The services offered to clients are as follows:

- Plan design and asset selection consultation
- Review plan sponsor's stated financial criteria for each investment option
- Provide investment research and performance information on investment options
- Investment option replacement guidance
- Personal consultations with the plan sponsor as necessary
- Fiduciary due diligence assistance
- Annual Fiduciary Plan Review
- Participant education, guidance, and enrollment
- Vendor coordination assistance
- Benchmarking services

### **ERISA Fiduciary Services**

When delivering ERISA fiduciary services, ECM performs those services for the retirement plan as a fiduciary under ERISA Section 3(21)(A)(ii) will act in good faith and with the degree of diligence, care and skill that a prudent person rendering similar services would exercise under similar circumstances. In ECM's capacity as a 3(21) plan fiduciary, ECM will conduct research to determine appropriate investment selections and allocations and to project potential ranges of returns and market values over various time periods and using various cash flows to assist the plan sponsor in determining the appropriate model(s) investment(s) for the retirement plan.

ECM also encourages plan sponsors to consult with other professional advisors since we do not provide tax or legal advice that may affect asset classes or allocations. We will apply any guidelines our client supplies, as directed, however, compliance with these restrictions or guidelines, is our client's responsibility.

ECM will also serve as a discretionary investment manager of the Plan as defined in Section 3(38) of the Employee Retirement Income Security Act of 1974, as amended ("ERISA"), and acknowledge that ECM is a fiduciary to the Plan in providing such services. ECM selects a diverse portfolio of securities and will inform the Plan of the securities selected. ECM shall select, monitor and change the securities included in the portfolios offered from time-to-time as determined in its sole discretion.

## **Plan Structure**

ECM will assist our client in evaluating the current plan's structure to determine if a change in the design of the plan better suits the needs of plan participants. ECM will facilitate any changes with the appropriate parties including the third-party administrator, record keeper, and custodian as well as facilitating the execution of the required plan document amendments or new plan documents. However, ECM will not draft any amendments as an attorney or a TPA will need to perform this service.

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

Eggerss Capital tailors its advisory services to each individual client based upon the client's financial risk profile. Clients may impose guidelines or restrictions on certain types of securities or investments but such restrictions must be provided in writing.

## **D. Wrap Fee Programs**

Eggerss Capital does not sponsor or manage a wrap fee program.

## **E. Assets Under Management**

As of December 31, 2016, the Firm had approximately \$105,300,868 assets under management in 350 accounts.

# **ITEM 5: FEES, COMPENSATION AND TERMINATION OF SERVICES**

## **A. Description of Compensation and Basic Fee Schedule**

Assets Under Management fees range from 0.25% to 1.50% annually. Client circumstances and needs are considered in determining the appropriate fee schedule. These include, among other factors; the complexity of the client, level of assets under management, anticipated future assets, related accounts and portfolio composition. Advisory fees are billed quarterly in advance. We may negotiate our fees at our sole discretion.

Employee related accounts and certain other accounts may be charged a fee that is less than outlined above depending upon a number of factors, including portfolio size, length of employment and relationship to the employee.

The client pays Eggerss Capital for its investment management services based upon the client's assets under management as negotiated. Quarterly management fees are calculated by multiplying the assets under management by the relevant percent and dividing such product by four. Accounts opened in mid-quarter will be assessed at a pro-rated management fee.

## **B. Payment of Fees**

Fees are payable quarterly, in advance, and such fees are generally deducted from client's account(s) within 30 days following the beginning of the quarter for which said fees will be incurred.

All fees for the management of alternative investments or 401(k) plans will be deducted from one of the Client's brokerage account at Schwab, Fidelity, or TD Ameritrade, not from the actual investment account.

## **C. Clients Are Responsible for Fees Associated with Investing**

Client shall be responsible for payment of all ticketing or other transaction costs incurred from the purchase and sale of Securities under this Agreement. Such costs are not included as part of the Advisory Fee (as defined above). Any other transaction costs shall be noted on the trade confirmations. To the extent mutual funds are selected to fill components of the overall investment strategy, the annual advisory fee set forth above does not include the customary fees and expenses associated with investing in mutual funds or other costs of establishing and maintaining an account with mutual funds including Rule 12b-1 fees and expenses. The client is advised that, in addition to the annual advisory fee set forth above, each mutual fund in which assets are invested will incur separate investment advisory fees and other expenses for which Client will bear a proportionate share.

## **D. Prepayment of Fees**

The Advisory Fee for the initial quarterly period shall be prorated for the initial quarterly period, based on the opening date of the Account and the Net Asset Value of the Assets held in the Account on that date. The initial fee shall be due in full at the same time as the fee for the first full quarterly billing cycle is due. If a client chooses to terminate the advisory agreement in writing, the client will be entitled to a pro rata refund of any pre-paid quarterly fee, based upon the number of days remaining in the quarter after termination and the balance of the account on the day of termination. (It should be noted that Eggerss Capital reserves the right to deny a refund if the dollar amount of the refund is less than \$10.00).

## **E. Other Compensation**

The Firm does not accept any other compensation for its services other than the fees disclosed in this Brochure.

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

Eggerss Capital does not charge any performance-based fees (fees based on a share of capital gains on or capital appreciation of the assets of a client).

## **ITEM 7: TYPES OF CLIENTS**

Eggerss Capital provides portfolio management services to individuals and high net worth individuals. The minimum investment generally required by a Client is \$250,000. Accounts below this minimum may be negotiated and accepted on an individual basis, as determined in the Firm's sole discretion. Eggerss Capital may from time to time establish, modify and waive account or investment minimums.

## **ITEM 8: METHODS OF ANALYSIS, INVESTMENT STRATEGIES AND RISK OF LOSS**

### **A. Methods of Analysis**

Eggerss Capital will utilize such other information, as it deems appropriate for analysis, and in all cases, in compliance with federal and state security laws. Eggerss Capital also utilizes financial newspapers and magazines, research reports prepared by others, annual reports, prospectuses, filings with the Securities and Exchange Commission and company press releases, when determining which investment strategies to present to its clients.

Some of those strategies involve a top down approach using aspects, such as economic data, Federal Reserve policy, various sector strength, etc. From this point, the Firm will drill down to determine what type of security should be used to accomplish the goal, whether that's a mutual fund, stock, or bond, etc. Various competing securities are analyzed to determine strengths and weaknesses and risks. The final decision to buy or sell a security is typically determined using technical analysis. Eggerss Capital uses several tools to determine the correct entry point for a position. Owning individual securities may involve a risk to principal. Depending on the type of security, fluctuation may be high at times. Frequency of trades may impact a client's tax situation and profitability in the position, due to increased transaction costs.

As outlined under Advisory Business above, the Firm offers multiple investment strategies including Conservative Income, Income, Growth, Aggressive Growth, Dividend Plus, Options and Multi-Asset. As described therein, these strategies will employ various products and rates of turnover in order to achieve the risk return balance desired for each strategy. Investing in securities involves varying amounts of risk of loss that clients should be prepared to bear.

Individual securities are selected to provide diversification among economic sectors and industries, which are chosen to achieve the desired balance between expected risk and expected return. Transactions of an unusual nature are discussed with clients before execution.

### **B. Material Risks Involved**

All strategies, to varying degrees, contain risks inherent to the investments utilized. Eggerss Capital's investment strategies may be subject to the certain risks based upon the securities utilized in managing the strategies. Many of the principal investment risks inherent in the strategies are discussed under Item 8 C below.

## **C. Risks of Specific Securities Utilized**

All securities, to varying degrees, contain risks inherent to the investments utilized. Securities used by Eggerss Capital's investment strategies may be subject to the following principal investment risks due to the variety of investments utilized in each strategy:

**Credit Risks** – The risk that the portfolio could lose money if the issuer of guarantor of a fixed- income security, or the counter-party to a derivative contract, is unable or unwilling to meet its financial obligations.

**Counter-Party Risks** – A portfolio may incur a loss if the other party to an investment contract, such as a derivative, fails to fulfill its contractual obligation.

**Currency Risks** – The risk that foreign currencies will decline in value relative to the US dollar and affect a portfolio's investments in foreign (non-US) currencies or in securities that trade in, and receive revenues in, or in derivatives that provide exposure to, foreign (non-US) currencies.

**Debt Securities Risks** – The issuer of a debt security may fail to pay interest of principal when due, and changes in market interest rates may reduce the value of debt securities or reduce the portfolio's returns.

**Derivatives Risks** – The use of derivatives such as futures, options and swap agreements can lead to losses, including those magnified by leverage, particularly when derivatives are used to enhance return rather than offset risk.

**Emerging-Markets Risk** – Foreign investment risks are typically greater for securities in emerging markets, which can be more vulnerable to recessions, currency volatility, inflation and market failure.

**Equity Risks** – The risk that the value of equity securities, such as common stocks and preferred stocks, may decline due to general market conditions which are not specifically related to a particular company or to factors affecting a particular industry or industries. Equity securities generally have greater price volatility than fixed income securities.

**ETF Risks** – A portfolio will be exposed indirectly to all of the risks of securities held by an ETF.

**Foreign Investment Risk** – Foreign investments face the potential of heightened illiquidity, greater price volatility and adverse effects of political, regulatory, tax, currency, economic or other macroeconomic developments.

Fundamental Analysis Risk - Fundamental analysis, when used in isolation, has a number of risks:

- There are an infinite number of factors that can affect the earnings of a company, and its stock price, over time. These can include economic, political and social factors, in addition to the various company statistics.
- When using this method with mutual funds, the funds are composed of many companies and not all of them will be undervalued
- It is difficult to give appropriate weightings to the factors.
- It assumes that the analyst is competent.
- A fundamental analyst assumes that other fundamental analysts will form the same view about the company and buy the stock, thus restoring its value and returning the trader or investor a capital gain. In practice, an undervalued company's stock price can stay at approximately the same level (or decline) for years.
- It ignores the influence of random events such as oil spills, product defects being exposed, and acts of God and so on.
- It assumes that there is no monopolistic power over markets.
- Even when fundamental analysis reveals an undervalued company, or a stock with high growth prospects, it does not tell us anything about the timing of the purchase of the stock.

High-Yield Securities Risk – High-yield securities have a much greater risk of default or of not returning principal and tend to be more volatile than higher-rated securities of similar maturity.

Interest-Rate Risk – The risk that fixed income securities will decline in value because of an increase in interest rates.

Issuer Risk – The value of a security may decline because of adverse events or circumstances that directly relate to conditions at the issuer or any entity providing it credit or liquidity support.

Issuer Non-Diversification Risk – The risks of focusing investments in a small number of issuers, industries, or foreign currencies, including being more susceptible to risks associated with a single economic, political or regulatory occurrence than a more diversified portfolio might be.

Leverage Risk – The risk that certain portfolio transactions may give rise to leverage, causing the portfolio to be more volatile than if it had not been leveraged.

Liquidity Risk – A security may not be able to be sold at the time desired or without adversely affecting the price.

Market Risk – The market price of securities held by a portfolio may rapidly or unpredictably decline due to factors affecting securities markets generally or particular industries.

Mortgage- and Asset-Backed Securities Risk – These securities may decline in value when defaults on the underlying mortgage or assets occur and may exhibit additional volatility in periods of changing interest rates. When interest rates decline, the prepayment of mortgages or assets underlying such securities may require the reinvestment of money at lower prevailing interest rates, resulting in reduced returns.

Regulatory Risk – The risk that changes in government regulations may adversely affect the value of a security. An insufficiently regulated industry or market might also permit inappropriate practices that adversely affect an investment.

Short Sale Risk – The risk of entering into short sales includes the potential loss of more money than the actual cost of the investment, and the risk that the third party to the short sale may fail to honor its contract terms, causing a loss to a portfolio.

Private Securities Risk – Private securities contain the risks of their respective public securities, but these risks can be magnified due to their illiquidity and lack of public knowledge on the business. These securities are inherently riskier.

Real Estate Risk – The real estate market has experienced some large swings recently. Due to changes in interest rates, the lending market, economic policy, and supply and demand, in addition to illiquidity, real estate investments can carry a great deal of risk.

Options Risks – A risk of covered calls is that the option buyer does not have to exercise the option, so that if we want to sell the stock prior to the end of the option agreement, we have to buy the option back from the option buyer, for a possible loss.

Alternative Investment Risk - Investing in alternative investments may be speculative, may not be suitable for all clients, and is intended for experienced and sophisticated investors who are willing to bear the high economic risks of the investment, which can include:

- Loss of all or a substantial portion of the investment due to leveraging, short-selling or other speculative investment practices
- Lack of liquidity in that there may be no secondary market for the fund and none expected to develop
- Volatility of returns
- Absence of information regarding valuations and pricing
- Delays in tax reporting
- Less regulation and higher fees than mutual funds.

## **ITEM 9: DISCIPLINARY INFORMATION**

Registered investment advisers are required to disclose all material facts regarding any legal or disciplinary events that would be material to your evaluation of Eggerss Capital or the integrity of Eggerss Capital's services.

### **A. Criminal or Civil Action**

Neither Eggerss Capital, nor any of our employees, has had any civil or criminal actions which were required to be disclosed under this Item.

### **B. Administrative Procedure**

Neither Eggerss Capital, nor any of our employees, has had any administrative procedures which were required to be disclosed under this Item.

### **C. Self-Regulatory Organization**

Neither Eggerss Capital, nor any of our employees, has had any proceedings before a self-regulatory organization.

## **ITEM 10: OTHER FINANCIAL INDUSTRY ACTIVITIES AND AFFILIATIONS**

### **A. Registration as a Broker/Dealer or Broker/Dealer Representative**

Neither Eggerss Capital, nor any of its representatives is currently affiliated with any brokerage firm or financial institution.

### **B. Registration as a Futures Commission Merchant, Commodity Pool Operator or a Commodity Trading Adviser**

Neither Eggerss Capital nor its representatives are currently affiliated with any Futures Commission Merchant, Commodity Pool Operator or Commodity Trading Adviser

### **C. Registration Relationships Material to This Advisory Business and Conflicts of Interest**

Karl Eggerss is the Managing Member of Eggerss Properties, LLC which was formed in 2013 to purchase real estate. Karl Eggerss is also the Finance Chair for a private Christian school. Mr. Eggerss does not have the sole discretion for any of the school's finances.

Eggerss Capital does not have any relationship or arrangement that is material to its advisory business or to its clients that has not already been disclosed elsewhere in this Brochure.

### **D. Selection of Other Advisors of Managers**

Eggerss Capital does not recommend or select other advisers for its clients.

## **ITEM 11: CODE OF ETHICS, PARTICIPATION OR INTEREST IN CLIENT TRANSACTIONS AND PERSONAL TRADING**

### **A. Code of Ethics**

Eggerss Capital has adopted a Code of Ethics to ensure that securities transactions by the Advisor's employees are consistent with the Firm's fiduciary duty to its clients and to ensure compliance with legal requirements and the adviser's standards of business conduct. Eggerss Capital requires transaction confirmation and quarterly reporting. A written copy of the Firm's Code of Ethics is available upon request.

This Code of Ethics states, in part, "No security may be bought or sold by a principal or employee of Eggerss Capital before Eggerss Capitals clients' accounts have had the opportunity to make such transactions, as appropriate. Principals and employees will not receive a more favorable execution price on a particular day than those received by the Firm's investment advisory clients."

To prevent conflicts of interest, all employees of Eggerss Capital must comply with the Firm's Supervisory Procedures, which imposes restrictions on the purchase or sale of securities for their own accounts and the accounts of certain affiliated persons.

The Supervisory Procedures require that all trades made by employees or related persons of Eggerss Capital, who make recommendations or participate in the determination of which recommendation shall be made, will require review for all securities transactions by the designated person responsible (except transactions in investment company securities and/or other exempt transactions). Eggerss Capital will also maintain quarterly reports on all personal securities transactions, except transactions in investment company securities and/or other exempt transactions. Further, the Supervisory Procedures impose certain policies and procedures concerning the misuse of material non-public information that are designed to prevent insider trading by any officer, partner, or associated person of Eggerss Capital.

Purchase and sale of specific securities by employees of Eggerss Capital are prohibited when there are client programs active in those securities, unless employees participate in the aggregated trading of securities. Executions for clients will always receive priority. The officers and employees of Eggerss Capital report transactions monthly.

Individual securities are selected to provide diversification among economic sectors and industries, which are chosen to achieve the desired balance between expected risk and expected return. Transactions of an unusual nature are discussed with clients before execution.

Notwithstanding the above, Eggerss Capital, and/or its officers, directors or employees may purchase for themselves, similar or different securities as are purchased or recommended for investment advisory clients of Eggerss Capital, and those different securities or transactions may be effected or recommended for different investment advisory clients of Eggerss Capital.

A copy of the Firm's Code of Ethics may be obtained from Mr. Eggerss.

## **B. Recommendations Involving Material Financial Interests**

The Firm does not recommend to clients any securities in which the Firm or its personnel has a material financial interest.

## **C. Investing in the Same Securities as Clients**

On occasion, Eggerss Capital may invest in securities products that it also recommends to clients, which presents a conflict of interest. However, as a preventative measure, all client transactions will be conducted and implemented before or at the same time as any such transaction relating to any personal accounts of Eggerss Capital or any affiliated person of Eggerss Capital. Any trading by Eggerss Capital personnel is controlled by Eggerss Capital's Code of Ethics. A copy of such Code will be available upon request.

## **D. Trading Securities Alongside Clients**

On occasion, Eggerss Capital may trade securities products that it also recommends to clients, which presents a conflict of interest. However, as a preventative measure, all client transactions will be conducted and implemented before or at the same time as any such transaction relating to any personal accounts of Eggerss Capital or any affiliated person of Eggerss Capital. Any trading by Eggerss Capital personnel is controlled by Eggerss Capital's Code of Ethics. A copy of such Code will be available upon request.

## ITEM 12: BROKERAGE PRACTICES

### A. Selecting Brokerage Firms

#### 1. Research and Other Soft Dollar Benefits

The Firm has not entered into any soft dollar contracts but may receive certain services and research from its custodians, Charles Schwab (“Schwab”), Fidelity, and TD Ameritrade, which could be considered soft dollars. Unless a Client instructs Eggerss Capital otherwise, the Firm may place orders for the execution of transactions with or through Schwab, Fidelity, TD Ameritrade, or a broker/dealer as Eggerss Capital may recommend, and complying with Section 28(e) of the Securities Exchange Act of 1934, may pay a commission on transactions in excess of the amount of commission another broker or dealer would have charged. Eggerss Capital will select such brokers that can effect fixed income transactions at the best price and execution under the prevailing circumstances. In managing investment portfolios, Eggerss Capital acts in a manner in keeping with what it understands and believes to be the best interests of the client.

There may other benefits from recommending these institutions such as software and other technology that (i) provide access to client account data (such as trade confirmations and account statements); (ii) facilitate trade execution and allocate aggregated trade orders for multiple client accounts; (iii) provide research, pricing and other market data; (iv) facilitate payment of fees from its clients' accounts; and (v) assist with back-office functions, recordkeeping and client reporting.

Other services may include, but are not limited to, performance reporting, financial planning, contact management systems, third party research, publications, access to educational conferences, roundtables and webinars, practice management resources, access to consultants and other third party service providers who provide a wide array of business related services and technology with whom Eggerss Capital may contract directly. In addition, custodians, mutual fund companies and other investment companies may sponsor events, to provide ongoing due diligence for these providers and their portfolio managers/products, which Eggerss Capital may attend.

Based upon the receipt of such services and information, we may have an incentive to select a broker-dealer based upon our desire to receive these services rather than receiving best execution for you. We have an obligation to seek best execution for you. In seeking best execution, the determinative factor is not the lowest possible commission cost but whether the transaction represents the best qualitative execution, taking into consideration the full range of a Broker-Dealer’s services including the value of research provided, execution capability, commission rates, and responsiveness. Therefore, we will seek competitive commission rates, but we may not obtain the lowest possible commission rates for account transactions. Our CCO reviews accounts quarterly to determine that the appropriate fees were charged by the client. He also performs overall reviews regarding best execution periodically.

## 2. Brokerage for Client Referrals

Eggerss Capital does not consider whether it receives referrals from broker/dealers when it selects or recommends broker/dealers to its clients. The Firm bases its recommendations on the client's needs and what is in the best interests of the clients when it recommends or selects a broker/dealer.

## 3. Directed Brokerage

Eggerss Capital does not maintain agreements with referring brokers regarding its internal allocation of brokerage transactions. However, all or a sizable portion of a particular clients' brokerage transaction business may be directed to a particular broker if the client has directed, agreed or stipulated us to do so. Eggerss Capital may place all or a portion of the transactions with a broker with whom the client has a special advisory or consulting relationship.

With regard to client directed brokerage, Eggerss Capital is required to disclose that it may be unable to negotiate commissions, block or batch client orders or otherwise achieve the benefits described above, including best execution, if clients limit the Firm's brokerage discretion. Directed brokerage commission rates may be higher than the rates the Firm might pay for transactions in non-directed accounts. Also, clients that restrict the Firm's brokerage discretion may be disadvantaged in obtaining allocations of new issues of securities that the Firm purchases or recommends for purchase in other clients' accounts. It is the Firm's policy that such accounts not participate in allocations of new issues of securities obtained through brokers and dealers other than those designated by the client. As a general rule, Eggerss Capital will encourage each client to compare the possible costs or disadvantages of directed brokerage against the value of the custodial or other services provided by the broker to the client in exchange for the directed broker designation.

## **B. Aggregation of Trades**

When Eggerss Capital trades the same security in more than one client account, the Firm will generally attempt to batch or "bunch" the trades in order to create a "block transaction." Generally, buying and selling in blocks helps create trading efficiencies, prompt attention and desired price execution. Eggerss Capital will place all, or substantially all, transactions to purchase or sell common stocks with the client's "directed" broker, when applicable. Whenever possible, Eggerss Capital will attempt to batch or aggregate trades for clients who use the same directed brokers in order to create a "block transaction."

The commission amount and per share commission rate will differ among clients with directed brokerage relationships due to the dollar value and the size (number of shares) of the trade for each account, and the total relationship between the client and their broker. Because each client may differ in portfolio size, investment objective, equity exposure and the extent of the relationship with their broker, Eggerss Capital does not negotiate commission discounts on the block transaction itself.

Such transactions are placed with a broker who may have provided manager selection services, performance measurement services, asset allocation services, or a variety of other consulting or monitoring assistance, all with the specific knowledge and full approval of the client.

## **ITEM 13: REVIEW OF ACCOUNTS**

### **A. Periodic Reviews**

Karl Eggers, President, will review all accounts on a regular basis (which will usually be no less than quarterly) and compare each investment on a transaction basis to ensure that each transaction is: (i) suitable to the respective client's investment objectives; (ii) meets that client's quality standards; and (iii) to make sure that their investment objectives are still pertinent to the managed account arrangement.

### **B. Factors for Review**

More frequent reviews may be triggered by material changes in variables such as the client's individual circumstances or the market economic or political environment.

### **C. Content and Frequency of Regular Reports Provided to Clients**

The Firm does not provide regular reports to its clients except by request. However, clients do receive brokerage transaction confirmations and statements from the custodian of the account either monthly or quarterly, depending on the custodian and depending on the activity in the prior month.

## **ITEM 14: CLIENT REFERRALS AND OTHER COMPENSATION**

Eggerss Capital may enter into referral arrangements with any individual or entity wherein Eggerss Capital either compensates or receives compensation in connection with such person or entity for the referral. However, said individual or entity has to be a Registered Investment Adviser and will be listed below in section B.

### **A. Third Party Compensation**

Eggerss Capital does not receive any economic benefit from any third party for providing investment advice or other advisory services to clients.

### **B. Referrals**

Eggerss Capital has entered into an agreement with Investment Advisory Group, LLC (“IAG”), a Texas registered investment adviser, whereby IAG will refer potential investment advisory clients to Eggerss Capital. If the clients become clients of Eggerss Capital, IAG will receive a portion of the fee collected by Eggerss Capital. Clients referred by IAG will not pay higher fees due to the referral arrangement.

## **ITEM 15: CUSTODY**

Eggerss Capital does not maintain custody of client assets, including securities and cash. However, we may be deemed to have constructive custody of your accounts if we have the ability to deduct your quarterly fees from the custodian. We primarily use Charles Schwab, Fidelity, and TD Ameritrade, as the custodian for client accounts.

Eggerss Capital Management may be considered to have custody of certain Client 401(K) accounts. Eggerss Capital Management has a surprise audit performed annually for these accounts.

Eggerss Capital clients should receive at least quarterly statements from the broker/dealer, bank or other qualified custodian that holds and maintains clients' investment assets. Eggerss Capital urges clients to carefully review such statements and compare such official custodial records to any reports that it may provide. The reports may vary from custodial statements, based on accounting procedures, reporting dates, or valuation methodologies of certain securities. If clients have any questions on the statements or reports, they should contact the custodian or Eggerss Capital.

## **ITEM 16: INVESTMENT DISCRETION**

Eggerss Capital receives discretionary authority from the client at the outset of an advisory relationship to select the identity and amount of securities to be bought or sold. Eggerss Capital will supervise and direct the investments of the client accounts subject to such limitations as the client may impose in writing. Eggerss Capital, as agent and attorney-in-fact with respect to the client's account, without prior consultation with the client, may, (a) direct the purchase, sell, exchange, conversion, and otherwise trade in stocks, bonds and other securities including money market instruments, and (b) direct the amount of securities purchased, sold, exchanged, and otherwise traded. In all cases, however, such discretion is to be exercised in a manner consistent with the stated investment objectives for the particular client account.

When selecting securities and determining amounts, Eggerss Capital observes the investment policies, limitations and restrictions of the clients for which it advises. Clients may place restrictions on the type of securities or even on specific securities themselves. All such restrictions must be provided in writing.

## **ITEM 17: VOTING CLIENT SECURITIES**

Eggerss Capital does not take any action or render any advice with respect to the voting of proxies solicited by, or with respect to, the issuers of any securities held in the client accounts.

## **ITEM 18: FINANCIAL INFORMATION**

Registered investment advisers are required in this Item to provide clients with certain financial information or disclosures about Eggerss Capital's financial condition.

### **A. Balance Sheet**

Eggerss Capital does not require nor solicit prepayment of investment advisory fees which would result in custody issues. Therefore, the Firm is not required to include a balance sheet with this brochure.

### **B. Financial Conditions**

Neither Eggerss Capital nor its management have any financial condition that is likely to reasonably impair the Firm's ability to meet contractual commitments to clients.

### **C. Bankruptcy Petitions**

Eggerss Capital has not been the subject of a bankruptcy petition in the last 10 years.

## **Karl Eggerss**

### **Eggerss Capital Management**

114 E. Highland

Boerne, Texas 78006

210-526-0057

CRD # 2634722

February 14, 2017

**This Brochure Supplement provides information about Karl Eggerss that supplements the Eggerss Capital Management Brochure. You should have received a copy of that Brochure. Please contact Eggerss Capital Management if you did not receive the Firm's Brochure or if you have any questions about the contents of this supplement.**

**Additional information about Karl Eggerss is available on the SEC's Web site at [www.adviserinfo.sec.gov](http://www.adviserinfo.sec.gov).**

## **ITEM 2- EDUCATIONAL BACKGROUND AND BUSINESS EXPERIENCE**

Karl Eggerss was born in 1972. He holds a BBA in Finance from Southwest Texas State University in San Marcos, Texas. Mr. Eggerss' business experience is as follows:

Firm Name: **Kresko Holdings, Inc. DBA Eggerss Capital Management**  
Job Title: President and CEO  
Employment Dates: January 2010 to Present

Firm Name: **Daniel Frishberg Financial Services Inc.**  
Job Title: Sub-Advisor  
Employment Dates: January 1997 to December 2009

## **ITEM 3 - DISCIPLINARY INFORMATION**

Registered investment advisers are required to disclose all material facts regarding any legal or disciplinary events that would be material to your evaluation of each supervised person providing investment advice. No information is applicable to this Item for Mr. Eggerss or Eggerss Capital Management.

## **ITEM 4- OTHER BUSINESS ACTIVITIES**

Karl Eggerss is the Managing Member of Eggerss Properties, LLC which was formed in 2013 to purchase real estate

Karl Eggerss is also the Finance Chair for a private Christian school. Mr. Eggerss does not have the sole discretion for any of the school's finances.

## **ITEM 5 - ADDITIONAL COMPENSATION**

Karl Eggerss does not receive any additional compensation related to the provision of investment advisory services.

## **ITEM 6 - SUPERVISION**

Mr. Eggerss is the President and Chief Executive Officer for Eggerss Capital Management therefore he is responsible for his own supervision and that of all other investment adviser representatives of Eggerss Capital Management.

## **Casey Keller**

### **Eggerss Capital Management**

CRD # 6080176

114 E. Highland

Boerne, Texas 78006

210-526-0057

February 14, 2017

**This Brochure Supplement provides information about Casey Keller that supplements the Eggerss Capital Management Brochure. You should have received a copy of that Brochure. Please contact Eggerss Capital Management if you did not receive the Firm's Brochure or if you have any questions about the contents of this supplement.**

**Additional information about Casey Keller is available on the SEC's Web site at [www.adviserinfo.sec.gov](http://www.adviserinfo.sec.gov).**

## **ITEM 2- EDUCATIONAL BACKGROUND AND BUSINESS EXPERIENCE**

Casey Keller was born in 1979. He holds a degree in Economics from the University of Texas in Austin, Texas. In addition, Mr. Keller is a CFA Charterholder. Casey Keller's business experience is as follows:

Firm Name: **Eggerss Capital Management**  
Job Title: Investment Advisor  
Employment Dates: June 2012 to Present

Firm Name: **Broadway Bank**  
Job Title: Portfolio Manager 2  
Employment Dates: January 2010 to June 2012

Firm Name: **Wells Fargo**  
Job Title: Portfolio Manager 2  
Employment Dates: September 2002 to January 2010

## **ITEM 3 - DISCIPLINARY INFORMATION**

Registered investment advisers are required to disclose all material facts regarding any legal or disciplinary events that would be material to your evaluation of each supervised person providing investment advice. No information is applicable to this Item for Mr. Keller or Eggerss Capital Management.

## **ITEM 4- OTHER BUSINESS ACTIVITIES**

Mr. Keller currently has no other investment-related activities.

## **ITEM 5 - ADDITIONAL COMPENSATION**

Mr. Keller does not receive any additional compensation related to the provision of investment advisory services.

## **ITEM 6 - SUPERVISION**

Mr. Keller is directly supervised by Karl Eggerss, President and CEO of the Firm. He may be reached at 210-526-0057.

## **Shawn Trahill Morris**

### **Eggerss Capital Management**

CRD # 2842850

114 E. Highland

Boerne, Texas 78006

210-526-0057

February 14, 2017

**This Brochure Supplement provides information about Shawn Trahill Morris that supplements the Eggerss Capital Management Brochure. You should have received a copy of that Brochure. Please contact Eggerss Capital Management if you did not receive the Firm's Brochure or if you have any questions about the contents of this supplement.**

**Additional information about Shawn Trahill Morris is available on the SEC's Web site at [www.adviserinfo.sec.gov](http://www.adviserinfo.sec.gov).**

## **ITEM 2- EDUCATIONAL BACKGROUND AND BUSINESS EXPERIENCE**

Shawn Morris was born in 1968. He holds a Bachelor of Business Administration in Business Management from the University of Texas at San Antonio. Shawn Morris also has the following designations:

### **CFP®**

College of Financial Planning, Denver, CO

### **AAMS**

College of Financial Planning, Denver, CO

### **Minimum Designation Requirements**

Certified Financial Planner (CFP)

The 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.

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

**Prerequisites/Experience:** Complete at least three years of full-time financial planning-related experience (or the equivalent, measured as 2,000 hours per year)

**Educational Requirements:** 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 Type:** 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.

**Ethics:** Agree to be bound by CFP Board's Standards of Professional/Conduct, a set of documents outlining the ethical and practice standards for CFP® professionals. 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/Experience Requirements:** 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.

Accredited Asset Management Specialist (AAMS)

Designation Status Currently offered and recognized by the issuing organization.

Acronym AAMS

Issuing Organization College for Financial Planning

Prerequisites/Experience Required None

Educational Requirements Self-study course (12 modules requiring 100-120 hours)

Examination Type Final designation exam (online, closed-book, proctored)

Continuing Education/Experience Requirements 16 hours every 2 years

Shawn Morris's business experience is as follows:

Firm Name: **Eggerss Capital Management**

Job Title: Investment Advisor

Employment Dates: February 2014 to Present

Firm Name: **Charles Schwab & Co. Inc.**

Job Title: Financial Consultant

Employment Dates: February 2005 to February 2014

Firm Name: **Annapolis Education Foundation**

Job Title: Vice President/Board Member

Employment Dates: November 2009 to November 2009

### **ITEM 3 - DISCIPLINARY INFORMATION**

Registered investment advisers are required to disclose all material facts regarding any legal or disciplinary events that would be material to your evaluation of each supervised person providing investment advice. No information is applicable to this Item for Mr. Morris or Eggerss Capital Management.

### **ITEM 4- OTHER BUSINESS ACTIVITIES**

Shawn Trahill Morris does not have any outside business activities and/or affiliations to disclose.

## **ITEM 5 - ADDITIONAL COMPENSATION**

Mr. Morris does not receive any additional compensation related to the provision of investment advisory services.

## **ITEM 6 - SUPERVISION**

Mr. Morris is directly supervised by Karl Eggerss, President and CEO of the Firm. He may be reached at 210-526-0057.

**Terry Lee Langston**  
Eggerss Capital Management

CRD # 6055648

114 E. Highland

Boerne, Texas 78006

210-526-0057

February 14, 2017

**This Brochure Supplement provides information about Terry Lee Langston that supplements the Eggerss Capital Management Brochure. You should have received a copy of that Brochure. Please contact Eggerss Capital Management if you did not receive the Firm's Brochure or if you have any questions about the contents of this supplement.**

**Additional information about Terry Lee Langston is available on the SEC's Web site at [www.adviserinfo.sec.gov](http://www.adviserinfo.sec.gov).**

## **ITEM 2- EDUCATIONAL BACKGROUND AND BUSINESS EXPERIENCE**

Terry Langston was born in 1965. He has no formal college education. Terry Langston's business experience is as follows:

Firm Name: **Eggerss Capital Management**  
Job Title: Investment Advisor  
Employment Dates: July 2016 to Present

Firm Name: **SIPCO**  
Job Title: Investment Advisor  
Employment Dates: May 2012 to July 2016

Firm Name: **Kimball Midwest**  
Job Title: Director of Sales  
Employment Dates: May 2009 to April 2012

Firm Name: **Kimball Midwest**  
Job Title: Director of Sales  
Employment Dates: January 2002 to May 2009

## **ITEM 3 - DISCIPLINARY INFORMATION**

Registered investment advisers are required to disclose all material facts regarding any legal or disciplinary events that would be material to your evaluation of each supervised person providing investment advice. No information is applicable to this Item for Mr. Langston or Eggerss Capital Management.

## **ITEM 4- OTHER BUSINESS ACTIVITIES**

Mr. Langston currently has no other investment-related activities.

## **ITEM 5 - ADDITIONAL COMPENSATION**

Mr. Langston does not receive any additional compensation related to the provision of investment advisory services.

## **ITEM 6 - SUPERVISION**

Mr. Langston is directly supervised by Karl Eggerss, President and CEO of the Firm. He may be reached at 210-526-0057.