

## **Part 2A of Form ADV: *Firm Brochure***

### **BCM Advisors, LLC**

1018 Harding Street  
Suite 104  
Lafayette, LA 70503

Telephone: (337) 233-7758  
Facsimile: (337) 233-9193  
Email: [info@bcm-advisors.com](mailto:info@bcm-advisors.com)  
Web: [www.bcm-advisors.com](http://www.bcm-advisors.com)

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**This brochure provides information about the qualifications and business practices of BCM Advisors, LLC (hereinafter “BCM” or “firm” or “we”). If you have any questions about the contents of this brochure, please contact us at (337) 233-7758 or at [info@bcm-advisors.com](mailto:info@bcm-advisors.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.**

**Additional information about BCM is available on the SEC’s website at [www.adviserinfo.sec.gov](http://www.adviserinfo.sec.gov). You can search this site by a unique identifying number, known as a CRD number. The CRD number for BCM is 107946.**

## **Item 2. Summary of Material Changes**

BCM Advisors, LLC made the following material changes to Form ADV, Part 2A since its Annual Updating Amendment dated February 18, 2025.

### **1. Updates to Advisory Services and ERISA Disclosures**

BCM updated its ERISA and rollover disclosures to clarify its fiduciary obligations, including compliance with the Impartial Conduct Standards and documentation of best-interest determinations.

### **2. Updates and Clarifications to Fee Schedules and Billing Practices**

BCM made modest updates to its fee disclosures to clarify certain fee ranges, billing practices, and the treatment of non-managed or legacy assets. These changes did not materially alter the firm's fee structure and were made to improve clarity and consistency with current practices.

### **3. Updates to Referral and Compensation Disclosures**

BCM updated its referral and compensation disclosures to reflect the SEC Marketing Rule, including clarification of referral arrangements, related conflicts of interest, and applicable disclosure and oversight requirements.

### **4. Custody and Standing Letter of Authorization (SLOA) Clarifications**

BCM updated its custody disclosures to clarify that it is deemed to have custody solely as a result of fee deduction authority and, in certain cases, client-authorized Standing Letters of Authorization (SLOAs). The revised disclosure further clarifies the firm's reliance on qualified custodians and the safeguards in place to satisfy applicable regulatory requirements.

### **5. Update to Third-Party Administrator Disclosure**

BCM updated its disclosures to reflect a change in the third-party administrator used for certain ERISA accounts. References to BAM were updated to Focus Partners, reflecting a change in service providers following a corporate transaction involving BAM. The update clarifies that Focus Partners now performs certain administrative and billing functions for applicable accounts.

### **6. Change in Chief Compliance Officer**

BCM updated its disclosures to reflect a change in the firm's Chief Compliance Officer. Lenox Brown replaced Hille Domingue as Chief Compliance Officer, and related references throughout the brochure were updated accordingly.

### **7. Conforming and Clarifying Edits**

Additional non-substantive edits were made throughout the brochure to improve clarity, consistency, and alignment with current regulatory guidance.

**Item 3.****Table of Contents**

<b>Item</b>	<b>Section</b>	<b>Page Number</b>
1.	Cover Page	1
2.	Material Changes	2
3.	Table of Contents	3
4.	Advisory Business	4
5.	Fees and Compensation	7
6.	Performance-Based Fees and Side-by-Side Management	11
7.	Types of Clients	11
8.	Methods of Analysis, Investment Strategies and Risk of Loss	11
9.	Disciplinary Information	12
10.	Other Financial Industry Activities and Affiliations	12
11.	Code of Ethics, Participation or Interest in Client Transactions and Personal Trading	13
12.	Brokerage Practices	14
13.	Review of Accounts	17
14.	Client Referrals and Other Compensation	17
15.	Custody	18
16.	Investment Discretion	19
17.	Voting Client Securities	19
18.	Financial Information	20

#### **Item 4. Advisory Business**

BCM is a fee-only Registered Investment Adviser with its principal place of business located in Lafayette, Louisiana. We have been in business since 1987, originally under the name of Billeaud Capital Management. In June of 2020 Billeaud Capital Management changed its name to BCM Advisors, LLC.

Joseph Billeaud, through his sole ownership in JSB Investment Holdings, Inc, is the majority owner of BCM. There are other individuals who are minority owners through their respective single member entities, and who serve in various management positions with the firm. A list of all owners and officers of the firm can be found in Schedule A of BCM's Form ADV, which can be viewed by going to [www.adviserinfo.sec.gov](http://www.adviserinfo.sec.gov).

Discretionary assets under our firm's management were \$775,708,312 as of December 31, 2025. Non-discretionary assets under our firm's management were \$0 as of December 31, 2025. Assets Under Advisement by our firm were \$2,017,880 as of December 31, 2025. The total assets under management and advisement by our firm were \$777,726,192 as of December 31, 2025.

#### Portfolio Management Services

BCM is in the business of managing investment portfolios and providing financial planning and wealth management services for our clients.

BCM offers three primary investment strategies: (i) the BCM Growth Strategy, which seeks to maximize capital appreciation potential, (ii) the BCM Balanced Strategy, which seeks to balance capital appreciation with income generation with an emphasis on capital appreciation, and (iii) the BCM Conservative Strategy, which seeks to balance income generation and capital appreciation with an emphasis on income generation. Each of these strategies is made available through a Standard portfolio and a Social Values portfolio (which is a variation that emphasizes Social Values). There is also an option, both for the Standard and Social Values portfolios within each Strategy, specifically designed for accounts under \$5,000.

BCM also offers the BCM Cash Management Program, which is designed for clients who wish to maintain cash balances in lieu of investing those funds in one or more of the investment strategies above. The BCM Cash Management Program invests in Money Market Funds, CDs, short-term US Treasuries and/or other "cash equivalents".

The portfolios within the BCM Growth Strategy, the BCM Balanced Strategy, the BCM Conservative Strategy, and the BCM Cash Management Program are collectively referred to herein as Portfolios.

Our firm provides continuous advice to a client regarding the investment of client

funds. Through personal discussions, in which goals and objectives based on a client's particular circumstances are established, we determine the client's individual objectives, time horizons, risk tolerance, and liquidity needs. We also review and discuss a client's prior investment history, as well as family composition and background. Based on these discussions, we first decide whether the client's personal situation and goals are suitable for the Portfolios that BCM uses, and, if so, which of the Portfolios best fits the client's personal situation.

Account supervision is guided by the structure of the Portfolios, the stated objectives of the client, as well as tax considerations. We manage client accounts on a discretionary basis consistent with the selected Portfolio, which means we will implement transactions without seeking prior client consent.

BCM provides portfolio management services to ERISA accounts, and, as such, BCM is a fiduciary under the ERISA and IRS rules and regulations governing retirement accounts. The way that BCM makes money creates some conflicts of interest, so we operate under a fiduciary rule that requires us to act in your best interest and not put our interest ahead of yours. As a fiduciary, BCM is prohibited from entering into certain transactions that would be deemed to be a conflict of interest with these clients unless an exemption to the prohibited transaction is available to BCM under the ERISA and IRS rules and regulations. Under those rules and regulations, such an exemption is available, provided BCM has adopted policies and procedures to implement Impartial Conduct Standards. Under these Standards, BCM is required to provide prudent advice, charge reasonable fees, and avoid misleading statements. BCM has adopted policies and procedures reasonably designed to comply with these standards.

In conjunction with certain ERISA accounts, BCM sometimes contracts with third-party plan administrators to provide certain services to the plan, including access to model investment portfolios and administrative and marketing support services. In accordance with the agreements between the third-party plan administrators and BCM, the third-party administrator receives a portion of the management advisory fees paid by participating 401(k) plans. This arrangement presents a conflict of interest because it reduces the amount of advisory fee retained by BCM and may create incentives regarding the selection and retention of third-party plan administrator relationships; BCM addresses these conflicts through its fiduciary obligations, oversight, and periodic reviews of such arrangements.

### Financial Planning and Wealth Management Services

BCM offers financial planning services for eligible clients. BCM takes a comprehensive approach in preparing financial plans under the supervision of a Certified Financial Planner™ and in alignment with the Certified Financial Planner Board of Standards Code of Ethics and Standards of Conduct.

Financial plans are based on goals identified by the eligible client in a Financial Planning Questionnaire. As such, a financial plan may encompass analysis of the client's cash flow, risk and insurance coverage, retirement savings and income planning, education planning, investment portfolio analysis, and estate planning. Where the Certified Financial Planner™ finds it beneficial to the client, a plan may go beyond what is generally required by the CFP Board Standards by incorporating analysis from advisors with specific knowledge and experience in areas identified in BCM's General Wealth Management Advisory Services.

Once the analysis is complete, the Certified Financial Planner™ delivers the financial plan which includes recommendations, analysis details and suggested next steps. The Certified Financial Planner™ conducts regular updates with the eligible client to monitor progress towards their financial goals.

BCM also offers general wealth management advisory services and consultation to eligible clients. These services are carried out by BCM's advisors who have professional certifications, practical experience, and/or educational backgrounds enabling them to provide a high level of competent and proficient advice in a variety of areas relative to general wealth management. These services may include advice or consultation in areas such as elder care planning, trust strategies, family education, estate transitions and management, social security optimization, charitable gifting strategies, financial statement analysis, banking support, and tax consulting. Where an advisor has obtained a professional license or designation, the advisor complies with requirements to maintain the license or designation and performs services in accordance with applicable standards.

#### Personalized Indexing Services and Engagement of Sub-Advisor

BCM offers personalized indexing services to clients who request personalized indexing services and who BCM believes would benefit from such services. To provide personalized indexing services, BCM has entered into a sub-advisory agreement with Vanguard Personalized Indexing Management (VPIM) for VPIM to provide Sub-Advisory Services to clients of BCM desiring and eligible for personalized indexing services. Pursuant to BCM's explicit power granted to BCM by a Client according to the terms of a signed contractual agreement, BCM delegates to VPIM discretionary trading authority over a client account utilizing VPIM's sub-advisory services. BCM is independent of and not owned by, affiliated with, or sponsored or supervised by VPIM or their affiliates. BCM, and not VPIM, is the client's investment advisor and primary point of contact with respect to VPIM's personalized indexing program. However, as the Sub-Advisor, VPIM executes the investment strategy and portfolio determined by BCM for the client's investment needs and goals and manages that portfolio on an ongoing basis. VPIM implements and maintains procedures intended to protect Customer Data and maintain Customer privacy according to the VPIM Privacy Policy.

## **Item 5. Fees and Compensation**

### Portfolio Management Services

Our fees are paid at the beginning of each calendar quarter for services provided in the previous calendar quarter by deducting the portfolio management fees from the client's account. Fees for portfolio management services are calculated and paid quarterly based on the net asset value of the managed assets in the client account(s), including cash, (the "account balance") at the end of the calendar quarter. We do not charge fees on non-managed assets, such as certain non-managed or non-marketable assets (e.g., certain non-traded REITs or other legacy positions), that are included in the client's account.

Fees for management services for the Portfolios, other than the Cash Management Portfolio, are based on the following fee schedule:

Up to \$2,000,000	1.00% per year
\$2,000,001 to \$5,000,000	0.75% per year
\$5,000,001 to \$10,000,000	0.60% per year
\$10,000,000 and above	0.50% per year

Fees for management services for the Cash Management Portfolio are based on a flat fee schedule of 0.25% per year.

Fees are calculated quarterly by multiplying the account balance by one-fourth of the applicable fee rate. Fees are pro-rated for additions and withdrawals made during a calendar quarter so that fees are charged only for that time that the additions and withdrawals are in the client's account.

A conflict of interest exists when we recommend that a client add money to his or her account. Since our fees are based on a client's account balance, our fees increase as the client's account balance increases. BCM has a fiduciary duty to our clients to only make that recommendation if such a recommendation is in the best interest of client, considering the client's goals and objectives.

A conflict of interest arises in those situations where BCM recommends that an ERISA plan participant rollover a distribution from a company sponsored ERISA Plan into an IRA for which BCM will provide portfolio management services. Since BCM will receive management fees it would not have otherwise received if the ERISA plan participant would have left the distribution in the ERISA Plan, this presents a conflict of interest. Therefore, before recommending a rollover to an IRA, BCM will make a best interest determination that the rollover is in the "best interest" of the participant. Additionally, BCM will provide the client with the appropriate disclosures outlining factors to be considered by the client in making the rollover, the conflicts of interest associated with the rollover, and written reasons that the rollover is in the best interest of the client. BCM's rollover recommendations are made consistent with applicable fiduciary

standards, and BCM maintains documentation supporting the basis for rollover recommendations, including consideration of costs, services, and other relevant factors.

For certain ERISA accounts for which BCM provides portfolio management services and which are billed through Focus Partners, an unaffiliated third-party administrator, the portfolio management fees are billed by Focus Partners in advance on the first day of each quarter and the BCM portfolio management fee is then paid by Focus Partners.

The stated minimum account size for our portfolio management services is \$250,000. In certain circumstances and at the discretion of BCM, BCM may waive the minimum account size requirement.

Mutual Fund and ETF Fees and Expenses: All fees paid to our firm for portfolio management services are separate and distinct from the fees and expenses charged by mutual funds and ETFs to their shareholders. These fees and expenses are described in each fund's prospectus. These fees will generally include a management fee and other fund expenses. A client could invest in a mutual fund or ETF directly, without the services of our firm. In that case, the client would not receive the services provided by us which are designed, among other things, to assist the client in determining which mutual fund or funds or ETFs are most appropriate to each client's financial condition and objectives. Accordingly, the client should review both the fees charged by the funds and ETFs and the fees charged by us to fully understand the total amount of fees to be paid by the client and to thereby evaluate the management advisory services being provided.

The Mutual Fund and ETF Fees and Expenses computed on a weighted average expense basis and stated as a percentage of the asset value of a client's account for BCM's various Portfolios are as follows:

BCM Growth Strategy (except for Under \$5K)	0.05% - 0.42%
BCM Balanced Strategy (except for Under \$5K)	0.07% - 0.30%
BCM Conservative Strategy (except for Under \$5K)	0.08% - 0.28%
BCM Cash Management Program	0.00% - 0.35%
BCM Under \$5K (all Strategies)	0.02% - 0.58%

The above fees are subject to change in the event there is a change in a mutual fund or ETF in a Portfolio, a change in the percentage allocation in each mutual fund or ETF in a Portfolio, or if the mutual fund or ETFs change the amount of fees associated with a mutual fund or ETF.

#### Brokerage and Custodian Fees

In addition to portfolio management service fees paid to our firm, and the expenses of the mutual funds and ETFs, clients will also be responsible for all

transaction, brokerage, and custodian fees incurred as part of their account management. Those fees consist of a \$20 transaction fee associated with any trade with a value in excess of \$100 involving mutual funds from DFA and Vanguard. There is a similar fee charged on certain transactions under \$100 with certain mutual funds. Please see Item 12 of this Brochure for important disclosures regarding our brokerage practices.

### Sub-Advisory Fees

All fees paid to our firm for portfolio management services are separate and distinct from the fees and expenses charged by any Sub-Advisor that has a direct contractual relationship with BCM.

Clients who elect to utilize BCM's personalized indexing services through Vanguard Personalized Indexing Management ("VPIM") will incur an additional sub-advisory fee, generally up to 0.20% annually, in addition to BCM's advisory fee. This fee is charged by the sub-adviser and is separate from the fee paid to BCM.

Accordingly, clients participating in the personalized indexing program will pay a higher total advisory fee than clients who do not utilize these services.

### Other Fees

There may also be additional services fees charged by the custodian to accommodate special needs or requests of a client, including margin account fees, wire transfer fees, early trade settlement fees, account maintenance fees and other similar fees. These fees are incurred at the discretion of the client.

### Summary

The combined portfolio management service fees and mutual fund and ETF fees and expenses stated as a percentage of the asset value of a client's account for BCM's various Portfolios, and assuming the highest portfolio management service fee shown above, are as follows:

BCM Growth Strategy (except for Under \$5K)	1.05% - 1.42%
BCM Balanced Strategy (except for Under \$5K)	1.07% - 1.30%
BCM Conservative Strategy (except for Under \$5K)	1.08% - 1.28%
BCM Cash Management Program	0.25% - 0.60%
BCM Under \$5K (all Strategies)	1.02% - 1.58%

### Financial Planning and Wealth Management Services

BCM offers financial planning and wealth management services to clients with a minimum account size of \$500,000 in accordance with a separate written agreement that details the services to be performed. The fees for the financial

planning and wealth management services are included in the fees for portfolio management services listed above. BCM does not receive any other compensation for its financial planning and wealth management services, either directly or indirectly.

As part of the financial planning and wealth management services, BCM may recommend that a client put more money into an account managed by BCM. A conflict of interest exists when we recommend that a client add money to his or her account. Since our fees are based on a client's account balance, the amount of our fees increases as the client's account balance increases. BCM has a fiduciary duty to our clients to only make that recommendation if such a recommendation is in the best interest of client, considering the client's goals and objectives.

### Fees in General

Fees and costs are incurred whether a client account has gains or losses. Fees and costs will reduce the amount available to invest in a client's account and will therefore reduce investment returns over time.

The stated minimum account size for portfolio management services is \$250,000. We group certain related client accounts for the purposes of determining the account size and the applicable annual fee rate. Fees for our portfolio management services and account minimums for all services are negotiable based upon certain criteria (i.e. anticipated future earning capacity, anticipated future additional assets, dollar amount of assets to be managed, related accounts, account composition, negotiations with client, etc.). As a result, in certain circumstances the fee schedule for a client will differ from the standard fee schedules shown above.

Discounts, not generally available to all of our clients, are sometimes offered to family members and friends.

With the exception of certain ERISA client fees billed through Focus Partners that are billed in advance, we do not require or accept fees in advance of services rendered. Under no circumstances will BCM accept fees for services to be provided more than six (6) months in advance.

### Account Termination

Clients will have a period of five (5) business days from the date of signing the portfolio management services agreement to unconditionally rescind the agreement and receive a full refund of all fees. Thereafter, the client may terminate the agreement at his or her discretion. Upon termination of any account, any prepaid, unearned fees will be promptly refunded, and any earned, unpaid fees will be due and payable.

## **Item 6. Performance-Based Fees and Side-By-Side Management**

We do not charge any performance-based fees, such as fees based on a share of capital gains on, or capital appreciation of, the assets of a client.

## **Item 7. Types of Clients**

Our firm generally provides portfolio management services to individuals, companies, pension and profit-sharing plans, trusts, estates, charitable organizations, and other business entities.

Generally, we require a minimum account size of \$250,000 of assets under management for portfolio management services, and a minimum account size of \$500,000 of assets under management for Financial Planning and Wealth Management Services.

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

Our firm employs the following types of analysis to formulate client recommendations, which are reflected in the structure of the Portfolios.

Portfolios: The design of BCM's Balanced Strategy is based on the strategy of investing in economically balanced non-correlated asset classes, such as stocks, bonds, precious metals and cash, with an objective of balancing capital appreciation with income generation, with an emphasis on capital appreciation. The design of BCM's Conservative Strategy is based on the strategy of investing in economically balanced non-correlated asset classes, such as stocks, bonds, precious metals and cash, with an objective of balancing income generation with capital appreciation, with an emphasis on income generation. The design of the BCM Growth Strategy is based on a concentration in stocks and cash, with an objective of maximizing capital appreciation. The Cash Management Program is based on the strategy of investing client accounts in cash, or cash equivalents, primarily through the use of Money Market Funds, CDs (including brokered CDs), and short-term US Treasuries, with the intention to hold the latter to maturity.

Asset Class Representation: BCM's approach within the Portfolios is to invest in broad-based asset classes rather than in individual securities. An asset class approach can be realized by owning indexed mutual funds or ETFs that reflect the composition and risk profile of the target asset classes of stocks, bonds and precious metals.

Mutual fund and/or ETF analysis: We primarily use indexed funds or ETFs within our portfolio design, analyzing and selecting them based on factors that include, but are not limited to, underlying benchmark, historical performance relative to the benchmark and/or comparable funds, internal expense ratio, number of holdings, fund size, and reputation of provider. We also look at the

underlying assets in a mutual fund or ETF in an attempt to determine if there is significant overlap in the underlying investments held in other funds in the client's portfolio. For the Social Values Portfolios, since one or more funds are actively managed, rather than indexed, we also monitor the funds in an attempt to determine if they are continuing to follow their stated investment strategy.

A risk of mutual fund and/or ETF analysis is that, as in all securities investments, past performance does not guarantee future results. A manager who has been successful may not be able to replicate that success in the future. In addition, as we do not control the underlying investments in a fund or ETF, managers of different funds held by the client may purchase the same security, increasing the risk to the client if that security were to fall in value. There is also a risk that a manager may deviate from the stated investment mandate or strategy of the fund or ETF, which could make the fund or ETF less suitable for the client's portfolio.

Risks for all forms of analysis: Our securities analysis method relies on the assumption that the companies whose securities we purchase and sell, the rating agencies that review these securities, and other publicly available sources of information about these securities, are providing accurate and unbiased data. While we are alert to indications that data may be incorrect, there is always a risk that our analysis may be compromised by inaccurate or misleading information.

Our firm employs the following investment strategies to implement investment advice given to clients:

Long-term purchases: We purchase securities with the idea of holding them in the client's account for a year or longer. We may do this because we want exposure to a particular asset class over time, regardless of the current projection for this class.

A risk in a long-term purchase strategy is that, by holding the security for this length of time, we may not take advantage of short-term gains that could be profitable to a client. Moreover, if our predictions are incorrect, a security may decline sharply in value before we make the decision to sell.

***Clients should understand that investing in any securities, including mutual funds and ETFs, involves a risk of loss of both income and principal.***

#### **Item 9. Disciplinary Information**

Our firm has no reportable disciplinary events to disclose.

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

Mr. Domingue, Member and former Chief Compliance Officer of BCM, is the sole owner/member of Hille Investments, LLC, which is a holding company that has

an ownership interest in a closely held operating company. Investment in either of these companies is not open to outside investors and clients of our firm have not been, and will not be, solicited to invest in these companies.

These non-advisory activities present a potential conflict of interest to the extent that these non-BCM activities may require a time commitment from Mr. Domingue, thus limiting the amount of time he can dedicate to his duties with BCM. Approximately 10% of Mr. Domingue's time is devoted to these activities.

Ms. McMenemon, who is an Investment Advisor Representative of BCM, is the Managing Member of Compass Capital Partners, which holds a non-working interest in an oil and gas property. This investment vehicle is not open to outside investors and clients of our firm have not been, and will not be, solicited to invest in this company or its ventures.

This non-advisory activity presents a potential conflict of interest to the extent that this non-BCM activity may require a time commitment from Ms. McMenemon, thus limiting the amount of time she can devote to her duties with BCM. Ms. McMenemon devotes less than 1% of her time to this activity.

Mr. Holland, who is an Investment Advisor Representative of BCM, is a member of the Board of Directors for The Oil Center Association, which is a non-profit corporation with the purpose of promoting the business and professional community within Lafayette, Louisiana's Oil Center.

These non-advisory activities present a potential conflict of interest to the extent that these non-BCM activities may require a time commitment from Mr. Holland, thus limiting the amount of time he can dedicate to his duties with BCM. Approximately 2.5% of Mr. Holland's time is devoted to these activities.

## **Item 11. Code of Ethics, Participation in Client Transactions and Personal Trading**

### Code of Ethics Disclosure

Our firm has adopted a Code of Ethics ("Code") which sets forth high ethical standards of business conduct that we require of our employees, including compliance with applicable federal securities laws. Our Code includes policies and procedures for the review of quarterly securities transactions reports as well as initial and annual securities holdings reports that must be submitted by the firm's access persons. Among other things, our Code also requires the prior approval of any acquisition of securities in a limited offering (e.g., private placement) or an initial public offering. Our Code provides for oversight, enforcement, and recordkeeping provisions. A copy of our Code is available to our clients and prospective clients upon request.

Our firm or individuals associated with our firm may buy or sell securities identical to those recommended to or purchased for customers for their personal

accounts. In addition, any related person(s) may have an interest or position in a certain security(ies) which may also be recommended to a client. This practice results in a potential conflict of interest, as we may have an incentive to manipulate the timing of such purchases to obtain a better price or more favorable allocation in rare cases of limited availability.

To mitigate these potential conflicts of interest and ensure the fulfillment of our fiduciary responsibilities, we have established the following restrictions:

1. No principal or employee of our firm may buy or sell securities for their personal portfolio(s) where their decision is substantially derived, in whole or in part, by reason of his or her employment unless the information is also available to the investing public on reasonable inquiry. No principal or employee of our firm may prefer his or her own interest to that of the client;
2. It is the expressed policy of our firm that no person employed by us may purchase or sell any security prior to a transaction(s) being implemented for a client's account, and therefore, preventing such employees from benefiting from transactions placed on behalf of clients;
3. We emphasize the unrestricted right of the client to decline to implement any advice rendered, except in situations where our firm is granted discretionary authority;
4. All of our principals and employees must act in accordance with all applicable Federal and State regulations governing registered investment advisory practices; and
5. Any individual not in observance of the above may be subject to disciplinary action or termination.

## **Item 12. Brokerage Practices**

### Custody Of Assets

Custody of client assets is maintained by a "qualified custodian", as discussed below. Our firm does not maintain physical custody of client assets. Our firm is given authority to withdraw fees from a client account and, in certain instances, clients sign a Standing Letter of Authorization giving the authority to transfer funds to a third-party designated by the client. As a result, BCM is deemed to have custody solely as a result of fee deduction authority and, where applicable, client SLOAs; therefore, client assets must be maintained with a "qualified custodian", generally a broker-dealer or bank. Our firm directs that clients use Charles Schwab & Co., Inc. (Schwab), and as a FINRA-registered broker-dealer, Schwab meets the requirements as a "qualified custodian". Neither our firm, nor any individual associated with our firm, are affiliated with Schwab. The client

will open an account with Schwab by entering into an agreement directly with Schwab. Our firm does not open the account for the client but will assist a client in doing so. Once the account is opened, the client will transfer designated assets to the account with Schwab. Schwab will hold client assets in a brokerage account and buy and sell securities when we instruct them to.

Schwab generally does not charge separately for custody services but is compensated by charging commissions or other fees on trades that it executes or that settle in a client's account. Certain trades (for example, many mutual funds, and ETFs) may not incur Schwab commissions or transaction fees. Schwab is also compensated by earning interest on the uninvested cash in a client's account. There may also be additional service fees charged by the custodian to accommodate special needs or requests of a client, including margin account fees, wire transfer fees, early trade settlement fees, account maintenance fees and other similar fees. Other than the account maintenance fees, these fees are incurred at the discretion of the client.

#### Recommending Brokers/Custodians

As part of the process of establishing an account to be managed by BCM, BCM directs that a client establish the account with Schwab.

We believe that Schwab will hold client assets and execute transactions on terms that are overall advantageous to the client. In doing so, a wide range of factors are considered, including, among other things: breadth of services offered, capability to execute, clear and settle trades, administrative and client support services, breadth of investment products made available, quality of service, competitiveness of the price for those services, reputation, financial strength, prior service to our other clients.

We do not have any formal or informal soft-dollar arrangements and do not receive any soft-dollar benefits. This means that we do not receive any compensation or other benefits from Schwab for sending a certain level of brokerage transactions to Schwab or for using Schwab as custodian and maintaining a stated minimum amount of assets under management.

Our firm participates in the Schwab Advisor Services (formerly called Schwab Institutional) program offered to independent investment advisers by Schwab. Through Schwab Advisor Services, Schwab provides us and our clients with access to institutional brokerage services – trading, custody, reporting and related services – many of which are not typically available to Schwab retail customers. Clients in need of brokerage and custodial services will have Schwab recommended to them. As part of the Schwab Advisor Services program, our firm receives benefits that it would not receive if it did not offer investment accounts through Schwab. These benefits include: receipt of duplicate client confirmations and bundled duplicate statements; access to a trading desk serving Schwab Advisor Services participants exclusively; access to block trading which

provides the ability to aggregate securities transactions and then allocate the appropriate shares to client accounts; ability to have portfolio management services fees deducted directly from client account; access to an electronic communication network for client order entry and account information; receipt of compliance publications; and access to investment products through Schwab that we may not otherwise have had access or that would require a significantly higher minimum initial investment by our clients. The services described above generally benefit our clients and our clients' accounts. However, since we receive these services at no cost from Schwab, participation in the Schwab Advisor Services program results in a potential conflict of interest for our firm, as the receipt of the above benefits creates an incentive for us to direct clients to Schwab.

Schwab offers other services that benefit only BCM and are intended to help us manage and further develop our business enterprise. These services include educational conferences and events, consulting on technology and business needs, consulting on legal and related compliance needs, publications and conferences on practice management and business succession and marketing consulting and support.

The availability of these services from Schwab benefits us because we do not have to pay Schwab for these services. If our clients did not maintain their accounts at Schwab, BCM would be required to pay for these services from its own resources. The fact that we receive these benefits from Schwab is an incentive for BCM to direct the use of Schwab. This is a conflict of interest.

However, BCM believes the use of Schwab is in the best interest of the client. This conclusion is supported by the scope, quality, and cost of Schwab's services and not by Schwab's services that benefit only BCM.

We reserve the right to decline acceptance of any client account for which the client directs the use of a broker other than Schwab.

#### Trade Aggregation and Allocation

We may aggregate client trades when doing so is advantageous to our clients. Mostly, we will batch client transactions to receive volume discounts and to obtain better and more uniform pricing across client accounts. If we determine that aggregation of trades in a certain situation will be beneficial to our clients, transactions will be averaged as to price and will be allocated among our clients in proportion to the purchase and sale orders placed from each client account on any given day. On occasion, we aggregate employee trades with client trades.

As a matter of policy, our allocation procedures must be fair and equitable to all clients with no particular group of client(s) being favored or disfavored over any other clients. Adequate disclosures will be provided in the event of any conflicts arising in the allocation process.

## Cross Trading

As a matter of policy, we do not engage in cross trades between client accounts.

## Valuation of Securities

Certain non-managed assets, such as REITs, may be maintained in client accounts for which a fair market value is not readily available. The custodian of the client accounts provides a valuation for these non-managed assets and that valuation is included in client statements. We do not charge fees on these non-managed assets.

## **Item 13. Review of Accounts**

### Portfolio Management Services

The individuals in BCM that provide portfolio management services to our clients will monitor the client accounts daily, perform reviews of account holdings for all clients on a quarterly basis, and rebalance the Portfolios as needed. Accounts are reviewed at least annually for consistency with the client's investment strategy, asset allocation, risk tolerance, and to ensure that the investment strategy is in the client's best interest. More frequent reviews may be triggered by changes in an account holder's personal, tax or financial status. Economic and macroeconomic specific events may also trigger reviews.

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

Our firm does not receive any additional compensation from third parties for providing investment advice to its clients.

We do receive an economic benefit from Schwab in the form of the support products and services those firms make available to our firm. These products and services, how they benefit our firm, and the related conflicts of interest are described above under Item 12 Brokerage Practices. These benefits are not based on the provision of any particular investment advice or the purchase or sale of specific securities.

BCM historically entered into referral arrangements with certain unaffiliated individuals who solicited business on behalf of our firm ("Solicitors"). BCM has not entered into any new solicitor arrangements since 2018 and has not accepted any new clients through a solicitor referral arrangement since June 2019. BCM does not engage new Solicitors and does not accept new clients through existing solicitor relationships.

BCM continues to pay referral fees ranging from 25% to 75% solely with respect to certain legacy clients who were introduced to the firm prior to June 2019,

pursuant to previously executed solicitor agreements. Such referral compensation is paid solely from BCM's advisory fee and does not result in any additional cost to the client.

Payment of referral fees under these legacy referral arrangements creates a conflict of interest to the extent that such a referral could be biased and the Solicitor is, at least partially, motivated by financial gain. Therefore, such a referral may be made even if our portfolio management services are not suitable to a particular client's needs or the entering into an advisory relationship with us is not, overall, in the best interest of the client. As these situations represent a conflict of interest, we have established the following restrictions to ensure that BCM fulfills its fiduciary responsibilities:

1. All legacy referral arrangements and ongoing referral payments are maintained in accordance with Rule 206(4)-1 of the Investment Advisers Act of 1940 (the "Marketing Rule"), and applicable state securities law requirements;
2. Any such referral fee will be paid solely from our investment management fee, and will not result in any additional charge to the client;
3. BCM entered into written agreements with each Solicitor, and clients received appropriate written disclosures describing the nature of the solicitor relationship and the compensation to be received in connection with the referral, in accordance with applicable regulatory requirements at the time the referral arrangement was entered into and as applicable to ongoing referral compensation;
4. All referred clients were carefully screened to ensure that our fees, services, and investment strategies are suitable to their investment needs and objectives;
5. BCM maintains appropriate oversight of legacy solicitor arrangements, including maintaining required records and monitoring referral fee payments for compliance with applicable regulatory requirements.

### **Item 15. Custody**

BCM is deemed to have custody solely due to its authority to deduct advisory fees and due to certain client SLOAs. BCM does not maintain physical custody of client assets. BCM does not serve as a qualified custodian.

Additionally, certain clients have, and may in the future, sign a Standing Letter of Authorization (SLOA) that gives us the authority to transfer funds to a third-party as directed by the client in the SLOA. This is also deemed to give us custody. Custody is defined as any legal or actual ability by our firm to access client funds or securities. Normally, we would be required to conduct a surprise audit of the client accounts for which we are deemed to have custody. However, the rules governing the direct debit of client fees and SLOAs exempt us from the surprise audit rules if certain conditions are met. Those conditions are as follows:

1. Your assets are maintained by a qualified custodian.
2. You receive client statements directly from the custodian, and we make due inquiry to ensure that you are receiving your statements.
3. In the case of SLOAs, we make a determination that the third-party receiving the transfer is not related to BCM, confirm that the mailing address of the third-party transfer is not the same as BCM and that certain requirements are being met by the qualified custodian. BCM follows applicable SEC staff guidance regarding SLOAs, including maintaining records and performing periodic reviews designed to confirm the conditions for reliance on this guidance are satisfied.

Schwab maintains actual custody of client assets. Client statements will be sent directly to each client to the email or postal mailing address that is provided to Schwab or another qualified custodian selected by the client. We urge clients to compare these statements to the periodic reports that are received from us. Should any discrepancies be noticed, please notify us and/or the custodian of your client account as soon as possible. We will ensure that any third-party receiving funds from a client as authorized by a SLOA is not related to our firm, and that the other requirements of the qualified custodian are also being met.

#### **Item 16. Investment Discretion**

Clients granting us discretionary authority to determine which securities and the amounts of securities that are to be bought or sold for their account(s), grant BCM such authority in writing, in the executed investment management agreement.

Should the client wish to impose reasonable limitations on this discretionary authority, such limitations shall be included in this written authority statement. Clients may change/amend these limitations as desired. Such amendments must be submitted to us by the client in writing.

#### **Item 17. Voting Client Securities**

As a matter of firm policy, our firm does not vote proxies on behalf of clients. However, for the retirement plans for which our firm is the investment advisor, ERISA laws require our firm to vote the proxies unless the right to vote the proxies has been specifically reserved by the plan sponsor. Further, for clients who utilize VPIM's sub-advisory services pursuant to a contractual agreement with BCM, BCM on behalf of the client delegates the voting of security proxies to VPIM with respect to all holdings held in any client account subject to VPIM's sub-advisory services.

Clients utilizing VPIM's sub-advisory services also authorize BCM to exercise or delegate to VPIM, on behalf of the client, the authority to make elections relating to mergers, acquisitions, tender offers, bankruptcy proceedings, or other corporate actions except class action lawsuits.

Clients will receive their proxies and other solicitations directly from their custodian or transfer agent and, with the exception of ERISA plans and accounts utilizing the sub-advisory services noted above, retain sole responsibility for voting. However, we may provide clients with consulting assistance regarding proxy issues if they contact us with questions at our principal place of business.

We will neither advise nor act on behalf of the client in legal proceedings involving companies whose securities are held in the client's account(s), including, but not limited to, the filing of "Proofs of Claim" in class action settlements. If desired, clients may direct us to transmit copies of class action notices to the client or a third party. Upon such direction, we will make commercially reasonable efforts to forward such notices in a timely manner.

**Item 18. Financial Information**

We do not provide financial information to our clients since we do not:

1. Have custody of client funds or securities, or
2. Receive payment of fees in advance that are in excess of \$1,200 and are for services to be rendered over more than 6 months, or
3. Have a financial condition that is reasonably likely to impair our ability to meet our commitments to our clients.