

**ITEM 1 – COVER PAGE**

# **ERA CAPITAL MANAGEMENT LLC**

**FIRM BROCHURE**  
**(ADV PART 2A)**

**UPDATED**  
**JUNE 29, 2018**

***84504 E Sagebrush Rd***  
***Kennewick, WA 99338***  
***Phone: (360) 329-4818***  
***Phone: (509) 559-6229***  
***Website: [www.eracapitalmanagement.com](http://www.eracapitalmanagement.com)***

This brochure provides information about the qualifications and business practices of Era Capital Management LLC. If you have any questions about the contents of this brochure, please contact Jacob Deschenes at (509) 559-6229 or [jacob@eracapitalmanagement.com](mailto:jacob@eracapitalmanagement.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.

Era Capital Management LLC is an investment adviser registered in the State of Washington. 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 Era Capital Management LLC is available on the SEC's website [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 the Adviser is 168089.

## **Item 2. MATERIAL CHANGES**

Form ADV 2 is divided into two parts: Part 2A (the "Disclosure Brochure") and Part 2B (the "Brochure Supplement"). The Disclosure Brochure provides information about a variety of topics relating to an Advisor's business practices and conflicts of interest. The Brochure Supplement provides information about advisory personnel of Era Capital Management LLC.

Era Capital Management LLC believes that communication and transparency are the foundation of our relationship with you and we strive to provide our clients with complete and accurate information about our services and firm. We encourage all current and prospective clients to read this Disclosure Brochure and discuss any questions you may have with us. Of course, we always welcome your feedback.

### Material Changes

This section outlines and summarizes the material changes made to this Brochure since our last update dated March 14, 2018:

- We have updated Item 5 adding Advisor's Standard Fee Schedule.
- We have updated Item 15 clarifying how billing invoices are delivered to clients.

### Future Changes

From time to time, we may amend this Disclosure Brochure to reflect changes in our business practices, changes in regulations and routine annual updates as required by the securities regulators. This complete Disclosure Brochure or a Summary of Material Changes shall be provided to each client annually and if a material change occurs in the business practices of Era Capital Management LLC.

Should you have any questions, please contact a firm representative. Additional information about Era Capital Management LLC and its representatives is also available on the SEC's website at [www.adviserinfo.sec.gov](http://www.adviserinfo.sec.gov).

## **Form ADV – Part 2A – Firm Brochure**

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

## **Item 4. ADVISORY BUSINESS**

### **A. OWNERSHIP/ADVISORY HISTORY**

Era Capital Management LLC (“We”, “Era”, “Advisor”) is a Washington limited liability company formed in June 2013. It was subsequently registered as an investment advisor with the State of Washington in August of 2013. Jacob T. Deschenes is the sole owner and managing member of the firm. Additional information about Mr. Deschenes can be found under Item 19 and in his supplemental brochure, ADV Part 2B.

### **B. ADVISORY SERVICES OFFERED**

Era provides discretionary investment advice and portfolio management services to individuals, high net-worth individuals, trusts, estates, charitable organizations, foundations, corporations and other business entities. On occasion, Era offers consulting services on an hourly, asset based or fixed fee basis. Prior to engaging the Advisor for portfolio management services, a client is required to enter into written agreement(s) with the Advisor setting forth the terms and conditions under which Era renders its services.

The Advisor’s portfolio management services are provided in accordance with the client’s investment objective(s) and time horizon. Management and/or consulting fees are negotiable and dependent upon the scope and complexity of the engagement as well as the amount of assets to be supervised. Services offered may include advice and recommendations in the following areas:

- Investment research and investment management
- Portfolio construction and management
- Securities selection

#### **1. Discretionary Portfolio Management**

Era’s discretionary portfolio management services provide investment advice tailored to meet the individualized needs and investment objectives of the client. Through a personal, telephone, or internet interview(s) we will create a customized portfolio for the client.

Accounts held at Folio Institutional will be based upon one or more of Era’s seven core portfolios models:

1. STRATEGIC GROWTH OPPORTUNITIES MODEL
2. CONTROLLED ADVANCE EQUITY INDEX MODEL
3. CONTROLLED ADVANCE EQUITY INCOME MODEL
4. CONTROLLED ADVANCE FIXED INCOME MODEL
5. CONTROLLED ADVANCE HIGH YEILD CORE FIXED INCOME MODEL
6. PRUDENT DIVERSIFIED FIXED INCOME MODEL
7. PRUDENT GLOBAL EQUITY MODEL

These portfolios models and investments within each of the above strategies are described in more detail under **Item 8 - METHODS OF ANALYSIS, INVESTMENT STRATEGIES**.

## 2. Subadviser Services

Era Capital Management may also act as a subadviser to advisers unaffiliated with Era Capital Management. These third-party advisers would outsource certain investment supervisory services, primarily investment management, to Era Capital Management and provide Era Capital Management a share of the fees collected from the third-party adviser's client. The fees charged will not exceed any limit imposed by any regulatory agency.

### C. TAILORED SERVICES

Our services are individualized to each client. Clients may place restrictions on the types of securities held in their accounts (such as not investing in tobacco stocks). All restrictions must be presented in writing.

### D. WRAP PROGRAM

We do not sponsor a wrap program. This section is not applicable.

### E. CLIENT ASSETS MANAGED

As of June 29, 2018 we manage \$7,200,000 in client assets on a discretionary basis.

### ROLLOVERS FROM RETIREMENT PLANS; FIDUCIARY STATUS FOR RETIREMENT INVESTORS

In recommending that any client roll over retirement plan assets to our management, we have a conflict of interest. Before making any such recommendation we review your existing investment options, fees and expenses, and your overall investment objectives. We only make the recommendation once we've determined that doing so is in your best interest.

As an investment advisor we are a fiduciary to all of our clients. We also explicitly acknowledge that we are a "fiduciary" under ERISA or the Internal Revenue Code, or both, with respect to our investment advisory recommendations and discretionary asset management provided to Retirement Investors under this Agreement. A "Retirement Investor" is defined as (1) a participant or beneficiary of a retirement plan with authority to direct the investment of assets in his or her retirement plan account or to take a distribution; (2) the beneficial owner of an IRA; or (3) a "retail" fiduciary, defined as a retirement plan or IRA fiduciary that is not an "independent fiduciary with financial expertise," as defined in the Department of Labor's Fiduciary Rule.

|                                      |
|--------------------------------------|
| <b>Item 5. FEES AND COMPENSATION</b> |
|--------------------------------------|

Investment Advisory Fees will be automatically debited from client accounts on a quarterly basis by the advisor at the qualified custodian of record unless direct invoicing is chosen on the Investment Management Agreement ("Agreement"). The custodian maintains possession of client assets in accordance with the client authorization in the Agreement.

### DISCRETIONARY PORTFOLIO MANAGEMENT FEES

Fee Calculation: Investment Advisory Fees are based upon a percentage of the total assets under

management, including money market balances on the last trading day of each calendar quarter. In any partial calendar quarter, fees are pro-rated based on the number of days in which the account is open during the quarter. All securities and their values are determined by each custodian. Fee calculations are derived from these valuations. Quarterly billing is based on ¼ of the agreed upon annual management fee.

i. Folio Institutional

Fees are collected on a quarterly basis in advance for account(s) open with Folio Institutional. The fee will be calculated on the account’s market value as of the last day of the previous quarter as reported by the custodian Folio Institutional.

**Advisor’s Standard Fee Schedule**

The annual management fee for Investment Advisory Accounts is an asset-based fee, calculated and billed quarterly in advance, on the custodian reported value of the Client’s Account(s) at the end of each calendar quarter.

Gross Flat Annual Fee as % of Assets Under Management (AUM)

|                            |       |
|----------------------------|-------|
| Less than (<) \$250,000    | 1.50% |
| \$250,000 - \$750,000      | 1.25% |
| Greater than (>) \$750,000 | 1.00% |

The Advisor or Client may negotiate a different fee schedules based on the size and complexity of the client relationship; the strategy or strategies being implemented; and/or additional services provided to the client. Relationships with multiple objectives, specific reporting requirements, portfolio restrictions and other complexities may be charged a higher fee. Investment Advisory Fees for accounts is not to exceed 2.00% on annual basis.

Our fees are exclusive of brokerage fees, transaction fees, and other related costs and expenses that are incurred by the client. Clients may incur certain charges imposed by custodians, brokers, third party investment and other third parties such as fees charged by managers, custodial fees, deferred sales charges, odd-lot differentials, transfer taxes, wire transfer and electronic fund fees, and other fees and taxes on brokerage accounts and securities transactions. Mutual funds and exchange traded funds also charge internal management fees, which are disclosed in a fund’s prospectus. Such charges, fees and commissions are exclusive of and in addition to our fee and we will not receive any portion of these commissions, fees, and costs.

FIXED AND HOURLY FEES

The advisor also provides certain services related to other financial advisory services on an hourly or fixed fee basis. Depending on the scope of the work to be performed and the professional performing the advisory services, the hourly rate will range from a low of \$100 per hour to a high of \$200 per hour. Fixed fees are customized to the scope of the project to be performed and are discussed with clients in advance. Advisor will perform fixed fee or hourly advisory assignments by written agreement with the client and will bill either in advance or arrears depending on the arrangement and the scope of work to be performed. Fixed and hourly fees are negotiable at the sole discretion of the Advisor.

#### TERMINATION OF INVESTMENT MANAGEMENT SERVICES

A client may terminate the investment management services for any reason within the first five (5) business days after signing the contract and receive a full refund without any cost or penalty. Thereafter, the contract may be terminated by either party at any time by giving ten (10) days written notice. To cancel the agreement, the client must notify us in writing at Era Capital Management LLC, 84504 E Sagebrush Rd, Kennewick, WA 99338 and return any materials received to that date. For accounts charged in advance, termination during a quarter will result in a prorated refund of unearned fees. For example, if 90 days are in a quarter and services were rendered for 30 days in the quarter, the client will be refunded 67% of that quarter's fee ( $30/90 = .33 * 100 = 33\%$  paid to us for services with remainder/unearned fees paid to the client.  $100\% - 33\% = 67\%$ ).

#### **Item 6. PERFORMANCE-BASED FEES AND SIDE BY SIDE MANAGEMENT**

We do 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**

Era offers services to individuals, high net-worth individuals, trusts, estates, charitable organizations, foundations, corporations and other business entities. We do not require a minimum account size to become a client.

#### **Item 8. METHODS OF ANALYSIS, INVESTMENT STRATEGIES AND RISK OF LOSS**

##### A. METHODS OF ANALYSIS AND INVESTMENT STRATEGIES

We use proprietary technical, mathematical and statistical analysis as our primary method of analysis and investment strategy when managing client accounts held at Folio Institutional. Technical Analysis is a method of evaluating securities by analyzing statistics generated by market activity, such as past prices and volume. Technical analysts do not attempt to measure a security's intrinsic value, but instead use charts and other tools to identify patterns that can suggest future activity. The risk associated with technical analysis is that there is no broad consensus among technical traders on the best method of identifying future price movements.

Our analysis of securities and advice relating thereto may be based upon information obtained from third party data vendors, financial newspapers and magazines, research materials prepared by others, corporate ratings services, and annual reports, prospectuses and filings made with the

Securities and Exchange Commission. We may also utilize computer models for performance analysis, asset allocation and risk management.

#### **B. RECOMMENDED SECURITIES AND INVESTMENT RISKS**

We use several types of securities in client accounts. These securities may include, but are not limited to, the following: Exchange Traded Funds, Mutual Funds, Stocks, Preferred Stock, Money Market Funds and Cash.

As described above in Item 4 - We provide discretionary portfolio management services where the investment advice provided is custom tailored to meet the individualized needs and investment objectives of the client. Era constructs clients' investment accounts using a model-based portfolio management process. The portfolio will be based upon one or more of our seven core portfolio models:

#### **Opportunity Series**

*Era's Opportunity Series takes advantage of inefficiencies in the markets. It's common for quality companies to be mispriced from time to time creating occasions for favorable risk/reward ratios in pursuit of growth.*

#### **STRATEGIC GROWTH OPPORTUNITIES MODEL**

- Strategic Growth Opportunities portfolio is an individual stock strategy that buys fundamentally sound growth companies when oversold according to our proprietary technical research. Subsequently, we will sell a position once it reaches overbought conditions. This strategy primary uses individual stocks with market caps greater than \$2 Billion. The model's primary investment objective is aggressive growth.

#### **Controlled Advance Series**

*Era's Controlled Advance Series adjusts risk through changing market environments using a custom built multi-duration differential calculus methodology determining entry and exit points. This active investment system seeks suitable risk depending on the investment environment.*

#### **CONTROLLED ADVANCE EQUITY INDEX MODEL**

- The "Equity Index Model" invests in broad-based, equity index exchange traded funds (ETFs). The model includes ETFs made up of large, mid and small companies, within domestic indexes such as the S&P 500. Depending on market conditions, the model may use foreign or emerging market equity indexes. The model's primary investment objective is long-term capital appreciation.

#### **CONTROLLED ADVANCE EQUITY INCOME MODEL**

- The "Equity Income Model" invests in more focused, equity exchange traded funds (ETF's). The model uses indexes that focus on holdings with above average dividend yields such as Real Estate Investment Trusts (REIT's), Master Limited Partnerships (MLP's), Preferred Stocks and high-yielding common stocks. The



model's investment objective is current income and long-term capital appreciation.

#### **CONTROLLED ADVANCE FIXED INCOME MODEL**

- The "Fixed Income Model" invests in broad-based, fixed-income index exchange traded funds (ETF's) and mutual funds. The model diversifies across fixed-income indexes that focus on holdings in investment grade government and corporate bonds, municipal bonds, high yield corporate bonds and bank loan/floating rate notes. The model's primary investment objective is current income.

#### **CONTROLLED ADVANCE HIGH YIELD CORE FIXED INCOME MODEL**

- The "High Yield Core Fixed Income Model" is a fixed income strategy designed to meet the needs of clients who seek high yield, low volatility total returns without investing in stocks. The strategy invests primarily in lower-quality fixed income mutual funds, known as "high yield" or "junk" bonds that present greater risk than bonds of higher quality, including increased risk of default. This strategy is designed for investors who want higher yields than money market funds with minimum fluctuation but understand that daily price fluctuation will occur. This portfolio is not considered to be diversified. The model's primary investment objective is growth and current income.

### **Prudent Investor Series**

*Era's Prudent Investor Series is a low turnover investment approach. Sometimes less is more for some investors. This series is designed as passive investment strategy with strategic rebalancing.*

#### **PRUDENT DIVERSIFIED FIXED INCOME MODEL**

- The (PDFI) "Prudent Diversified Fixed Income Model" is a low turnover diversified fixed income strategy investing in investment grade and high yield fixed income securities. The model uses fixed income exchange traded funds (ETF's) and mutual funds in pursuit of its goal. The model's primary investment objective is current income.

#### **PRUDENT GLOBAL EQUITY MODEL**

- The "Prudent Global Equity Model" is a low turnover broad-based equity strategy investing in equity index exchange traded funds (ETFs). The model includes ETFs made up of large, mid and small companies, within domestic and foreign indexes. The model's primary investment objective is long-term capital appreciation.

#### **INVESTMENT RISK**

All investments bear different types and degrees of risk and **investing in securities involves risk of loss that clients should be prepared to bear.** While we use investment strategies that are

designed to provide appropriate investment diversification, some investments have significantly greater risks than others. Obtaining higher rates of return on investments entails accepting higher levels of risk. Recommended investment strategies seek to balance risks and rewards to achieve investment objectives. Client's needs to ask questions about risks he/she does not understand, we would be pleased to discuss them.

We strive to render best judgment on behalf of our clients. Still, we cannot assure or guarantee clients that investments will be profitable or assure that no losses will occur in an investment portfolio. Past performance is an important consideration with respect to any investment or investment adviser but is not a reliable predictor of future performance. We continuously strive to provide outstanding long-term investment performance, but many economic and market variables beyond its control can affect the performance of an investment portfolio.

An investment could lose money over short or even long periods. A client should expect his/her account value and returns to fluctuate within a wide range, like the fluctuations of the overall stock and bond markets. Clients should also take a long-term view towards their investments supervised by Advisor since Advisor offers strategies designed to seek performance in the long-term and adopting a long-term view enhances the probability of a successful outcome. A client's account performance could be hurt by:

- **Stock market risk:** The chance that stock prices overall will decline. Stock markets tend to move in cycles, with periods of rising stock prices and periods of falling stock prices.
- **Interest rate risk:** Fluctuations in interest rates may cause investment prices to fluctuate. For example, when interest rates rise, yields on existing bonds become less attractive, causing their market values to decline. In a period of historically low interest rates, this risk is especially significant for existing holdings. Longer-term fixed income securities are particularly susceptible to this risk.
- **Manager risk:** The chance that the proportions allocated to the various securities will cause the client's account to underperform relevant to benchmarks or other accounts with a similar investment objective.
- **International investing risk:** Investing in the securities of non-U.S. companies involves special risks not typically associated with investing in U.S. companies. Foreign securities tend to be more volatile and less liquid than investments in U.S. securities, and may lose value because of adverse political, social or economic developments overseas or due to changes in the exchange rates between foreign currencies and the U.S. dollar. In addition, foreign investments are subject to settlement practices, as well as regulatory and financial reporting standards, that differ from those of the U.S.
- **Active management fees risk:** Active management strategies that involve frequent trading generate higher transaction costs that diminish the fund's return. In addition, the short-term capital gains resulting from frequent trades often have an unfavorable income tax impact when such funds are held in a taxable account.
- **Credit Risk:** There is a risk that issuers and counterparties will not make payments on securities and other investments held by the Fund, resulting in losses to the Fund. In

addition, the credit quality of securities held by the Fund may be lowered if an issuer's financial condition changes.

- **Inflation Risk:** This is the risk that inflation will undermine the performance of your investment and/or the future purchasing power of your assets.
- **Portfolio Concentration:** Accounts will not be diversified among a wide range of types of securities, countries or industry sectors, accordingly, they may have more volatility and are considered to have more risk than accounts that are invested in a greater number of securities because changes in the value of a single security may have more of a significant effect, either negative or positive. Accordingly, portfolios are subject to more rapid changes in value than would be the case if we maintained a more diversified portfolio.

#### **Item 9. DISCIPLINARY INFORMATION**

There are no legal, regulatory or disciplinary events involving Era Capital Management LLC or Jacob Deschenes. Era values the trust you place in us. We encourage you to perform the requisite due diligence on any advisor or service provider. Our backgrounds are on the Investment Adviser Public Disclosure website at [www.adviserinfo.sec.gov](http://www.adviserinfo.sec.gov). To review the firm information contained in ADV Part 1, select the option for Investment Adviser Firm and enter 168089 in the field labeled "Firm IARD/CRD Number" to access or Form ADV Parts 1 and 2. Item 11 of the ADV Part 1 lists legal and disciplinary questions.

#### **Item 10. OTHER FINANCIAL INDUSTRY ACTIVITIES AND AFFILIATIONS**

##### A. BROKER-DEALER AFFILIATIONS

We are not affiliated with a broker-dealer.

##### B. FUTURES/COMMODITIES FIRM AFFILIATION

We are not affiliated with a futures or commodities broker.

##### C. OTHER INDUSTRY AFFILIATIONS

We are not affiliated with other financial industries.

##### D. SELECTION AND MONITORING OF THIRD PARTY INVESTMENT ADVISORS

We do not use third party investment advisors.

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

##### A. DESCRIPTION

Our Code of Ethics establishes ideals for ethical conduct upon fundamental principles of openness, integrity, honesty, and trust. We will provide a copy of our Code of Ethics to any client or prospective client upon request.

Our Code of Ethics covers all supervised persons and it describes its high standard of business conduct, and fiduciary duty to its clients. The Code of Ethics includes provisions relating to the

confidentiality of client information, a prohibition on insider trading, a prohibition of rumor mongering, restrictions on the acceptance of significant gifts and the reporting of certain gifts and business entertainment items, and personal securities trading procedures, among other things. All supervised persons must acknowledge the terms of the Code of Ethics annually, or as amended.

**B. MATERIAL INTEREST IN SECURITIES**

We do not have a material interest in any securities.

**C. INVESTING IN OR RECOMMENDING THE SAME SECURITIES**

Our owner, Mr. Deschenes, may, from time to time, buy or sell for his own accounts securities that are the same as, similar to, or different than those that his clients purchase or sell. Differences can arise due to variations in personal goals, investment horizons, risk tolerance, and the timing of purchases and sales. The securities traded are typically broadly traded, large scale securities (not penny stocks) and/or mutual funds in which proprietary trades will not affect market prices. Nonetheless, client transactions will precede those orders placed for any proprietary trades. Mr. Deschenes is aware of his fiduciary duty to his clients and the prohibitions against the use of any insider information. We keep records of all associates' proprietary trading activities and make them available to regulators to review on the premises. Whenever we deem that there may appear to be a conflict of interest, we will inform affected clients of the holdings involved prior to placing any orders.

|                                     |
|-------------------------------------|
| <b>Item 12. BROKERAGE PRACTICES</b> |
|-------------------------------------|

**A. RECOMMENDED BROKERAGE**

When we recommend custodians, we will seek broker-dealers who offer competitive commission costs together with reliable services. A client's choice of another broker-dealer is acceptable if proven feasible. We recognize our fiduciary responsibility in negotiating brokerage commissions, assuring best execution practices and assuring adequate investment availability/inventory on behalf of our clients. We do not receive compensation with respect to execution of trades. In some instances, a client will incur a ticket charge for the sale and purchase of securities.

NOTE: Clients may be able to obtain lower commissions and fees from other brokers, and the value of products, research and services given to the applicant is not a factor in determining the selection of broker/dealers or the reasonableness of their commissions. With the use of independent broker-dealers, clients may incur certain charges imposed by custodians, brokers, third party investment and other third parties such as fees charged by managers, custodial fees, deferred sales charges, odd-lot differentials, transfer taxes, wire transfer and electronic fund fees, and other fees and taxes on brokerage accounts and securities transactions. Mutual funds and exchange traded funds also charge internal management fees, which are disclosed in a fund's prospectus. Such charges, fees and commissions are exclusive of and in addition to Adviser's fee and it will not receive any portion of these commissions, fees, and costs.

**i. RESEARCH AND SOFT DOLLARS BENEFITS**

“Soft dollars” are defined as a form of payment investment firms can use to pay for goods and services such as news subscriptions or research. When an investment firm gives its business to a particular brokerage firm, the brokerage firm in return can agree to use some of its revenue to pay for these types of services. In order to stem the potential conflicts of interest that may arise from “soft dollar” arrangements, we pursue a policy of not entering into any such arrangements, either orally or in writing.

ii. BROKERAGE FOR CLIENT REFERRALS

We do not receive client referrals or any other incentive from any custodian or any third party.

iii. DIRECTED BROKERAGE

Some clients may direct us to a specific broker-dealer to execute securities transactions for their accounts. When so directed, we may not be able to effectively negotiate lower brokerage commissions or achieve best execution on clients’ transactions. This can result in substantially higher fees, charges or dealer concessions in one or more transactions for the clients’ account because the Adviser cannot negotiate favorable prices.

B. TRADE AGGREGATION

Clients using Folio Institutional for custody will generally be allocated by using Folio Institutional’s twice daily window trading times (11am and 2pm Eastern). The system does not trade the orders immediately. It groups trades together twice a day for execution. Orders placed using the window trading system are collected and internally matched when possible. These trades receive the midpoint between the bid/ask spread in the market. Orders that can’t be matched are sent to the market for execution. The system allows us to place orders in dollar amounts rather than shares, and with the ability of buying and selling whole or fractional shares.

**Item 13. REVIEW OF ACCOUNTS**

Clients receive discretionary investment management services; Era monitors those portfolios as part of an ongoing process. Regular account reviews are conducted at least annually. Clients should contact the Advisor immediately with any changes to their financial situation as such changes may impact the status of their investment account(s). Era may also contact investment advisory clients to review previous recommendations and to discuss the impact of any changes in the client's financial situation and/or investment objectives.

Clients receive written statements no less than quarterly from the trustee or qualified custodian. In addition, client’s may receive other supporting reports from Advisor or asset managers, trust companies or custodians, insurance companies, broker/dealers, and others involved with client accounts.

**Item 14. CLIENT REFERRALS AND OTHER COMPENSATION**

A. OTHER COMPENSATION

We do not receive any other compensation for providing investment advice to clients.

## B. CLIENT REFERRALS

We do not pay for client referrals or use solicitors.

### **Item 15. CUSTODY**

All client funds, securities and accounts are held at third-party custodians. We do not take possession of a client's securities. However, the client will be asked to authorize us with the ability to deduct fees directly from the client's account. This authorization will be to deduct our management fee only. Prior to deducting the fee, Folio Institutional will electronically send a billing statement (invoice) to the client that will state the applicable annualized rate(s), the time period used to calculate the fee, the value(s) of the Account upon which the fee is calculated, the manner in which the fee is calculated, and the amount of the fee. A client may object to the deduction of our fees from the Account by notifying us at the address or telephone number shown on each billing invoice. The client's custodian shall also send, at least quarterly, a statement indicating the amount of fees withdrawn from the client's Account.

Clients should receive at least a quarterly statement from the broker dealer, bank or other qualified custodian that holds and maintains client's investment assets. We urge clients to carefully review such statements and compare them to the invoices we send.

### **Item 16. INVESTMENT DISCRETION**

We offer discretionary investment management services. The discretionary investment management is granted when a client signs an investment management agreement. The investment management agreement contains a limited power of attorney that allows us to buy and/or sell selected securities, within the tolerance agreed to by the client, and in the amounts we deem suited to the agreed upon portfolio structure. It also allows us to place each such trade without the client's prior approval. In all cases, however, such discretion is to be exercised in a manner consistent with the stated investment objectives for the particular client account, and any other investment policies, limitation or restrictions.

### **Item 17. VOTING CLIENT SECURITIES**

We will not be responsible for responding to proxies of securities held in clients' accounts. Proxy solicitation materials will be forwarded to clients for response and voting. In the event a client has a question about a proxy solicitation, the client should contact Mr. Deschenes.

### **Item 18. FINANCIAL INFORMATION**

#### A. BALANCE SHEET

We do not require or solicit prepayment of more than \$500 in fees per client, six months or more in advance. Therefore, we do not have to provide a balance sheet.

#### B. FINANCIAL CONDITION

Registered investment advisers are required in this Item to provide you with certain financial information or disclosures about our financial condition. We have no financial commitment that impairs its ability to service its clients.

C. BANKRUPTCY

We have not been the subject of a bankruptcy proceeding.

|  |
|--|
| <b>Item 19. REQUIREMENTS FOR STATE-REGISTERED ADVISERS</b> |
|--|

A. EXECUTIVE OFFICERS AND MANAGEMENT

**Jacob T. Deschenes – Owner**

**Education:**

*Western Washington University* – Bachelors of Arts and Business Administration with concentration in Finance – 2008

**Business Background:**

*Era Capital Management, LLC* – August 2013 to Present  
– Owner

*Asset Advisors, LLC* – Administrative Associate - August 2009 to August 2013  
– Intern/Administrative – May 2006 to May 2008

*LPL Financial* – August 2009 to August 2013  
– Administrative Associate

*Verity Credit Union* – August 2008 to August 2009  
– Member Service Representative

B. OTHER BUSINESS ACTIVITY

As of February 1, 2016 Mr. Deschenes is also sole owner of Client Analytics LLC, Software as a Service (SaaS) company providing data analytics and performance metric software to other Registered Investment Advisory firms. He spends less than 10 hours per week on this activity. Client Analytics LLC does provide services to the Advisor. The businesses are completely separate and not pose any conflict of interests.

C. PERFORMANCE BASED COMPENSATION

Mr. Deschenes does not receive performance based fees or any other additional compensation or incentives for providing investment advice.

D. MANAGEMENT PERSON’S ARBITRATION AND DISCIPLINARY HISTORY

Registered investment advisers are required to disclose all material facts regarding any legal or disciplinary events of its management person that would be material to your evaluation of each management person providing investment advice. This section is not applicable.

E. ADDITIONAL RELATIONSHIPS WITH ISSUERS OF SECURITIES

Registered investment advisers are required to disclose all material facts regarding any relationship with an issuer of securities. Neither the Adviser nor Mr. Deschenes has a relationship with an issuer of securities. Therefore, no information is applicable to this Item.