



517 Church Street • Franklin, TN 37064

GENERAL INFORMATION AND DISCLOSURE STATEMENT

Church Street Advisors provides investment advisory and supervisory services to clients (principally individuals, professionals, corporations, university professors, and qualified retirement plans) in accordance with the investment objectives stated by the client. In providing these services, the Church Street Advisors uses its discretion with respect to the purchase and sale of investment securities on behalf of the client in accordance with the stated objectives. Church Street Advisors may invest the client's assets in a range of securities, including exchange-listed and over-the-counter equity, mutual fund shares, corporate and government debt securities, commercial paper, and certificates of deposit; and it may employ trading strategies including long- and short-term trading, short sales, margin transactions, and option writing. All investment securities shall be the sole property of the client and shall be held at Fidelity Investments, an independent custodial institution.

Church Street Advisors' general investment strategy is based on technical analysis, specifically Point & Figure Charting, and fundamental information provided by third-party sources combined with a measurement of the client's propensity for risk. These are the steps Church Street Advisors take in implementing this strategy:

Step One: Determine the condition of the market. Every game has a coach, and it is the coach that decides if it is time to play offense or defense. I use the Point & Figure methodology of technical analysis, along with several important technical indicators, to determine if it is time to be playing "offense or defense" in the market. These indicators essentially take "a pulse" of the market to verify if the market is on offense, in wealth accumulation mode, or if defense, or wealth preservation tactics are warranted.

Step Two: Pick the players. The players in this case are the most "favored sectors." I use some of the same market indicators to analyze each industry sector and to determine which industry sectors suggest offense or defense (and what their respective field position is). This step is done to keep a list of "favored sectors." The "favored sectors" are defined by several technical factors, including relative strength measures and overbought / oversold readings. A mutual fund or exchange traded fund that is in a favored sector will have a much easier time making forward progress in a market that is in an offensive position or wealth accumulation mode.

Step Three: Select particular securities. I maintain an inventory of opportunities to work from. I use a number of sources available to determine those stocks deemed fundamentally sound, including Dorsey Wright, Investors Business Daily, Morningstar, Fidelity Monitor, Fidelity Investor, Murphy Market Letter, The Dave Landry Letter and other research facilities. In this step I am determining "What" (specific stock/mutual fund/exchange traded fund/index) to buy or in some cases, what to short. I maintain a Point & Figure chart on those stocks I deem the very best opportunities (again separating them by sector).



Step Four: Risk management analysis. This is when I create a buy and sell strategy for investments that we deem meet the client's investment objectives and the criteria listed above in the first three steps. It is not only important to know when or what to buy, but also when to sell. What will we do if the investment does not work as expected? What should we expect for returns? Where does the stock/mutual fund/ETF run into serious price resistance? As such, where do we take our profits or take other defensive action? Does this investment warrant the use of a trailing stop? These are just a couple of the questions asked in this, the most important step in the process. I want to know exactly how we are going to react and what considerations need to be made if the market or our investment thesis changes, i.e. whether it is economic numbers, a break in technical picture, a fundamental change in the industry or company, we want to always be prepared!

The minimum account that Church Street Advisors manages is \$100,000, subject to Church Street Advisor's right to waive this requirement in its discretion.

All accounts are reviewed at least monthly by David Morris, founder and Managing Member of Church Street Advisors. These reviews will consist of an overview of the client's investments and portfolio performance in light of the client's objectives. Factors which may trigger additional reviews would include, but are not necessarily limited to the following: (i) a change in the stated objectives of the client, or (ii) significant changes in market conditions.

Clients will receive a quarterly report which includes but is not limited to contributions or withdrawals from the account, beginning value and ending value, and profit and losses, realized or unrealized.

Investment Advisory Fees

Church Street Advisors manages clients' accounts for a percentage of the assets under management. The annual fee ranges from .65% to 1%, depending on the size and complexity of the client's account. The fee is paid quarterly, at the beginning of each quarter. If a client cancels during a calendar quarter, any pre-paid fees will be refunded on a pro-rated basis. The investment advisor agreement can be terminated by the client at any time by written notice.

Fee Schedule:

<u>Assets Under Management</u>	<u>Annual Fee</u>
\$250,000-\$1,000,000	1%
\$1,000,000 and above	.65%

Background of Church Street Advisor's Founder: David Morris

After graduating Vanderbilt University in 1982, I entered the investment business as a financial consultant with Merrill Lynch Pierce Fenner and Smith at the corner of Fourth and Church in downtown Nashville. In 1986, I moved to New York City to work with the institutional brokerage firm Oppenheimer and Co.



Although I enjoyed the “sell” side of the business, I could not resist an offer from a colleague to pool our capital and begin an investment fund. We both had experience recommending stocks, but it was during the next few months that we learned the real secret of trading: the protection of capital.

In 1990, I became a partner with First New York Securities with the responsibility of managing capital and floor traders. Later, in 2001, I became a partner with ETG another proprietary firm that catered to ex-floor brokers and retired specialists from the floor. I moved my family back to middle Tennessee and continued with ETG until the firm was sold in 2005.

For the past 16 years my sole source of income has been the profits that I have generated either for my own accounts or from a profit sharing arrangement at a proprietary equity trading firm. In essence, I have always “eatin’ my own cookin’.” In January of 2006, I formed Church Street Advisors with the mission of applying what I have learned over the past 25 years as a financial consultant and professional trader to aiding my clients with the management of their portfolios.

In addition to my work with Church Street Advisors, I spend less than 5 hours a week as a partner with Michael Lee of Lee Restorations on ML Properties, a real estate partnership involved in buying and restoring historic homes in Franklin, Tennessee. This partnership is closed to other investors and no other investors are solicited for this partnership. I am also an active investor through the management of DLM Partners, INC, an investment partnership of which I am the sole owner.

Any employee that I would permit to be involved in determining or giving investment advice to clients would be required to have at least 15 years experience in the investment industry either working for an established broker dealer firm or other investment advisory firm.

Possible Conflicts of Interest

Client must custody its accounts at Fidelity Investments. Church Street Advisors receives no remuneration from Fidelity Investments, nor does it not receive any commissions from the purchase or sale of stock, or mutual funds, or receive any reimbursement from any mutual fund or Investment Company for anything in any fashion or form. For stock trades, we use Fidelity Investments to execute any trades. Fidelity will receive any commission paid. Although the advisor does not set the rates that Fidelity charges, by executing through Fidelity the advisor is accepting, without specific client approval, the commission charged.

Church Street Advisors’ use of Fidelity Investments for custodial and brokerage services is based upon a variety of factors which include the breadth of offerings of Fidelity Funds and other mutual funds, the financial strength of Fidelity, and the low transaction costs and service. Church Street Advisors is open to considering other brokers based on the following criteria: financial strength, low cost, and ease of execution.

Since it is intended that the founder of Church Street Advisors will continue to maintain an active investment account, there may be occasions when the employees of Church Street

Advisors will be involved in the same securities as clients of the firm. The following summarizes our policy in regards to securities transactions by employees.

Employees of Church Street Advisors must first give priority on all purchases and sales of securities to the company's clients, prior to the execution of transactions for their proprietary accounts, and personal trading must be conducted so as not to conflict with the interests of a client. While the scope of such actions cannot be exactly defined, they would always include each of the following prohibited situations:

- ∞ Contemporaneously purchasing the same securities as a client without making an equitable allocation of the securities to the client first, on the basis of such considerations as available capital and current positions, and then to the account of the employee;
- ∞ Knowingly purchasing or selling securities, directly or indirectly, in such a way as to personally injure a client's transaction;
- ∞ Using knowledge of securities transactions by a client to profit personally, directly or indirectly, by the market effect of such transactions; and
- ∞ Giving to any person information not generally available to the public about contemplated, proposed or current purchases or sales of securities by or for a client account, except to the extent necessary to effectuate such transactions.
- ∞ Clients must receive the best price, in relation to employees, on same day transactions.

Advisory Agreement; Discretionary Authority; Form ADV

All accounts are managed by Church Street Advisors under the terms of an Investment Advisory Agreement. This agreement may be terminated within five days of its execution by a client without incurring any fees.

Under the Investment Advisory Agreement, you will grant full discretionary authority to Church Street Advisors with respect to the type and amount of securities to be bought and sold in your account, and the broker to be used and commission rates to be paid for those purchases or sales. Any restrictions on the discretionary authority shall be referenced in the Investment Advisory Agreement.

Church Street Advisors will upon request at no charge provide clients with Part II of Form ADV.

Acknowledgement

This is to acknowledge that I/we have read and understood the GENERAL INFORMATION & DISCLOSURE STATEMENT of Church Street Advisors, LLC.

Signature _____

Signature _____

David L. Morris, Registered Investment Advisor

