

Rexford Capital

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This brochure provides information about the qualifications and business practices of Rexford Capital. If you have any questions about the contents of this brochure, please contact us at 713-838-8383, 800-838-5583 or info@rexfordcapital.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 Rexford Capital also is available on the SEC's website at www.adviserinfo.sec.gov.

Although Rexford Capital, Inc. is a registered investment advisor, this attribute does not imply a certain level of skill or training.

2) Material Changes

None

Summary

When hiring an advisor, what can be more important than what your advisor does, is what an advisor does not do. It has been our view that bad advice has rarely centered on a lack of education, competence, or effort. **Bad advice is usually the result of conflicts of interest.** With the passage of the Dodd-Frank legislation, there are more disclosures required in narrative form so it is easily understood. We think this is a step in the right direction. The regulators want us to explain our conflicts in a way that is easy to understand. To this endeavor, Dodd-Frank is almost an education bill. This document will address the conflicts we have but furthermore educate the reader on the conflicts we avoid.

The common mistake most investors make is they seek people they “trust”, not people that are “trustworthy”. This document is critical in helping investors distinguish the two. The Dodd-Frank bill has language describing the length of sentences, the verb tense, and a requirement that the language is such that the client base will understand it. As one lawyer recently described, “It took three years of Law school to learn how to write in a way nobody can understand; now we will need to relearn English.”

This document contains what is most important in hiring an investment advisor: our credentials, fees, and strategies, but more importantly the conflicts of interest and the actions our advisory firm has taken to deal with them. If you have any questions, please feel free to call.

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4) Advisory Business

4A) Description of Advisory Firm

Established in 2003, Rexford Capital is an independent fee-only investment advisor, registered with the Securities and Exchange Commission, actively managing individual investment portfolios containing domestic equity, international equity, and fixed-income securities for affluent individuals, corporations, retirement plans, and trusts. We believe that we can add value by acting as a fiduciary and avoiding the conflicts of interest associated with brokers, banks, and insurance companies, promoting our independence, putting the client's interests before our own.

Our only revenue is the advisory fees our clients pay us.

The firm is a Sub Chapter S Corporation with two 50% owners, Robert Stanley Rexford and Kimberly Wells Rexford.

4B) Description of Advisory Services

Approximately 97% of Rexford Capital's revenue comes from providing investment supervisory services, also known as investment management. On more than an occasional basis, through Wealth Management, the firm furnishes advice to clients on matters not involving securities, typically financial planning matters, which represent about 3% of our revenue. We charge a percentage of assets under management or a fixed fee.

Investment management and behavioral finance are our priorities. It is our experience that the most quantifiable difference between our clients and the prospects we encounter is our clients have a higher average rate of return. The difference, we believe, is made up of five parts. If we can prevent clients from making these five mistakes, we feel this is our most quantifiable benefit to our clients.

1. Investing too conservatively. Example: John just retired and volunteers that this is all he has and cannot afford to lose any of it. There is overwhelming historical evidence showing a positive relationship between accepting more volatility with stocks, as opposed to bonds or cash.
2. Inappropriate investments. Example: John is told an impressive narrative from a broker that a series of events will happen in the future and he will make money.
3. Conflicted broker. Example: John heard about a broker, insurance agent, or banker that is successful. They recommend a product, but they are not a fiduciary and have conflicted compensation incentives.
4. Timing the market. Example: John does not feel comfortable with equities, so he is on the sidelines until he gets a better feeling.
5. Performance relative to a benchmark. Example: John is invested in a portfolio of companies and earned 7%. The S&P 500 happened to be up 8%.

Additionally, we specialize in wealth management and financial planning. Robert is a Certified Financial Planner™ and a NAPFA registered advisor (National Association of Personal Financial Planners) which is a higher standard for reasons we will describe later. Robert has extensive experience with financial planning.

Investment Management

Once we complete the initial interview, we create an Investment Policy Statement for the client. This policy summarizes the information gathered in the interview: risk and reward tolerance, any investment constraints, and both short and long-term investment objectives. The client will be provided a copy of the Investment Policy Statement upon request.

Investment Management includes:

- Discretionary Asset Management
- Personal Economic Forecast
- Personal Electronic Vault
- Personal Communication with Portfolio Manager
- Electronic Quarterly Portfolio Valuation Reports showing
 - * Rate of Return (time-weighted geometrically linked)
 - * Sector and Industry Analysis
- Proxy Voting
- Education on investments, portfolios, and investment plans to meet your goals

Wealth Management: closed to new clients

We created our Wealth Advisory Service to help families with sound financial decisions. Additional services include coordinating employee retirement accounts, educational accounts, and trust accounts. We do not charge an additional management fee for the allocation of employee retirement accounts (such as a 401K) or the investment choices for an insurance policy (such as an annuity or life insurance product).

4C) Customization

We do not allow investment restrictions of social, political, racial, environmental, gender, or any other agenda. If an employer requires or prevents holding a particular security, we will consider the restriction on a case by case basis. We are a fiduciary and our loyalty is to the client, not to any other cause. We invest to further your financial objectives.

Generally, we do not customize, but if the alteration could be done without any significant harm to the client, we may consider it. The one customization trap we most frequently find ourselves in is that of tax planning. At times the tax code encourages us to change our behavior. Before we sell securities, we check the client's cost basis and the date of purchase. If by holding off selling a short period of time we may push a short-term gain into a long-term gain, we may do so if the tax rates would benefit the client. If the client has a unique tax situation that would benefit if we recognized losses or gains, we have been known to reallocate if it benefits the client. The net overall experience has been a reduction in performance, so unless the tax savings is significant, we do not want to let tax avoidance dominate decisions.

4D) Participation in wrap fees programs

Rexford Capital has never participated in wrap programs. Pending any way of doing it without a gross conflict of interest; we will not participate in wrap programs.

4E) Assets under management

Rexford Capital as of 12/31/2024 was managing \$128.1 million in discretionary assets. We exclude financial planning assets in this total.

5) Fees and Compensation

5A) Our Fees

Pricing for this program is charged monthly in arrears based on assets under management at an annual flat rate of 1.7%, based on the previous end-of-quarter. We have a minimum annual fee of \$5,000. Fees are negotiable. In some cases, we may waive the minimum.

<u>Assets Under Management</u>	<u>Annual Fee</u>
Under \$500,000	1.7%
\$500,001 to \$1,000,000	1.7%
\$1,000,001 to \$3,000,000	1.7%
Over \$3,000,000	1.7%

Minimum annual fee: \$5,000

Although closed to new clients, pricing for the Wealth Advisory Service, combining our Investment Management Service and continuous financial planning as follows:

<u>Assets Under Management</u>	<u>Annual Fee</u>
Under \$500,000 (closed to new accts)	2.50%
\$500,001 to \$1,000,000 (closed to new accts)	2.15%
\$1,000,001 to \$3,000,000 (closed to new accts)	1.80%
Over \$3,000,000 (closed to new accts)	1.75%

Minimum annual fee: \$6,000

Rexford Capital Inc. does not have a minimum account size but applies an annual minimum account fee for each service provided by the firm. Accounts may be aggregated to allocate service minimums in lieu of individual account minimums. If an account does not have enough cash, or a minimum cash level is required, fees will be deducted from what we believe to be the most appropriate account.

On a case-by-case basis, fixed fees are negotiated in response to volume and complexity of ongoing work based on hourly billing rates and the expected amount of time our staff will spend on the work being performed. Fees are based on expected service time and range from \$300-\$500 per hour, depending on the service requested. Compensation is due upon receipt of invoice, quarterly in arrears. Either party may cancel the engagement at any time.

Rexford Capital has contracted with a third-party vendor to prepare, file, accept, and process claims for securities class action settlements. The vendor receives a 20% contingency fee. The vendor will forward the balance of the settlement payments per our instructions. Rexford Capital receives no economic benefit from this arrangement.

5B.) How and When Compensation is Payable

Fees are billed in advance and debited in arrears from the clients' accounts during the last week of the month earned. Fees are based on the previous quarter's ending balance, based on business-day calculation. The Fidelity statement will show the monthly fees.

Initial fees will be prorated to cover the business days from the date the account is funded until the end of the month. Thereafter, fees are based on the trade date market value of the portfolio (including cash) as reported for the previous quarter's last monthly billed value. Fidelity's statements are as of settlement date. We believe that trade date accounting is more indicative of true account values. Trades executed but not settled are not reported as part of the portfolio value on the Fidelity monthly statement. We will adjust the value to include any trades done before the end of the quarter. These trades are reported as "pending trades" on Fidelity's statement. The Billed Value of the account sums all securities, including stocks, bonds, options, and accrued dividends, and may be different than the Account Value.

Rexford Capital has contracted with a third-party vendor to prepare and distribute our performance reports. The balances that our third-party vendor calculates may vary from the custodian's statement, depending on options, margin, dividends accrued, reporting dates, valuation methodologies of certain securities, or other factors.

Dividends accrued: Our vendor adjusts the gap between the day after the record date (ex-dividend date) and the payment of a dividend. When a company declares a dividend, the price of the company drops by the amount of the dividend. This undervalues the portfolio until the dividend is received. The vendor back-dates dividends to comply with GIPS Recommendation 1.B.3, namely "Accrual accounting should be used for dividends (as of the ex-dividend date)." Additionally, GIPS requires accrual accounting to be used for fixed-income securities. The accrued value of the dividend will be added to the asset's market value each day from the ex-dividend date to the dividend payment date. Between the ex-date and the payment date, the market value of an asset will exceed the market value provided by the custodian. Market values provided by our third-party vendor and the custodian will match after the dividend payment date. Rexford Capital does not perform securities valuations; rather, we rely upon third party vendors to provide this data.

5C.) Other Fees and Expenses

The Firm has also negotiated several trading arrangements with Fidelity Institutional as custodian. Fidelity's pricing is listed below and is subject to change.

If the aggregate family account size is less than \$1,000,000, there is a discount in Fidelity fees for those who elect to receive electronic statements and confirmations.

Some fees may be zero.

	Aggregate Family Account Size	
	Over \$1,000,000	Under \$1,000,000
Stocks	\$0 up to 10,000 shares 1 cent p/s over 10,000 shares with electronic statements	\$0 up to 10,000 shares OR electronic confirmation 1 cent p/s over 10,000 shares
Bonds Principal	No Additional Cost	No Additional Cost
Bonds Agency Corporate Government	\$1.00 per bond \$50	\$1.00 per bond \$50
Options	\$0.02-.04 plus .65 per contract	\$0.02-.04 plus .65 per contract

Wire fee \$15

Trade-Away Fee \$20

Mutual Funds – Transaction Fee buy/sell \$30

Retirement Account Closing Fee (accounts moved to other brokerage firms) IRA, Keogh, SEP \$75 per account. Most bonds trades are principal trades.

The depository institution that sponsors ADR's (American Depository Receipts) may charge a small fee for the dissemination of foreign dividends. These fees are the cost to have foreign investment cash flows deposited in US dollars. Some countries add additional costs to certain transactions.

Margin borrowing

Average Debit Balance	Interest rate basis FABLR
\$0 - \$24,999	FABLR + 1.25%
\$24,999-\$49,999	FABLR + 0.75%
\$50,000-\$99,999	FABLR - 0.20%
\$100,000-\$249,999	FABLR - 0.25%
\$250,000-\$499,999	FABLR - 0.50%
\$500,000-\$999,999	FABLR - 2.825%
\$1,000,000 and over	FABLR - 3.075%

1. The Fidelity Advisor Base Lending Rate (FABLR) is set at the discretion of Fidelity with reference to commercially recognized interest rates, industry conditions regarding the extension of margin credit, and general credit conditions. The Federal Funds Target Rate is subject to change based on market conditions. Fidelity will apply the Federal Funds Target Rate as published in the Wall Street Journal. If the Federal Funds Target Rate is expressed as a range, Fidelity will apply the high end of the range.

5D.) Client Refunds or Client Termination

We do not deduct fees in advance. We deduct fees in arrears, so there will not be an issue with a client prepaying.

Either party may terminate the agreement in writing. If the client should terminate the agreement within 5 days of execution of the Client Agreement, no penalties or fees will be assessed. In the case of termination of service after those initial 5 days, the client will receive a prorated refund of any prepaid fees. (Required Texas Disclosure)

5E.) Other Compensation from sale of products

1) Rexford Capital does NOT receive any compensation from the sale of any product. We are members of NAPFA (National Association of Personal Financial Advisors), an organization of “Fee-Only” Advisors. Brokers will use the word “Fee-Based”. We see “Fee-Based” as a grave conflict of interest, as they continue to charge commissions.

2) We do NOT offer advice for clients that want to do it themselves. We do not offer advice for clients through other brokers. We accept referrals from any source, but we will not pay any compensation for a referral.

3) We do NOT receive any commissions or other compensation from the trades we make. If a Broker would like to discount trades, the savings will go directly to the client.

4) We do NOT offer any offset programs. Since we do not earn commissions or markups, we do not adjust our advisory fees by a factor of activity. We will broadly discuss your financial situation at no cost. If you need additional planning, such as creating a detailed budget or any other specific planning requirement, we will recommend outside advisors to meet your specific request. We will receive no compensation from such a referral.

6) Performance-Based Fees

We do NOT have performance-based fees.

In Benjamin Graham’s classic book Security Analysis, he wrote about how speculatively capitalized companies can create a conflict of interest in which investors with very little invested can have little downside and a lot of upside... what he wrote as, “Heads I win, tails you lose”. The SEC has adopted the same language in its description of performance-based fees.

We think the public should avoid firms that do. If a manager has a good performance one year, they could be overly compensated, for if in the future, the account drops, the investors will be stuck with the losses. This incentive system encourages risk taking.

7) Types of Clients

We provide investment advice to individuals, primarily retirees. Clients may also include pension and profit-sharing plans, trusts, corporations, and estates.

We prefer clients that are living below their means. We have tried to work with spendthrifts, but they seem to be incapable of living within their means. A certain amount of discipline is required on the part of the client to have a successful outcome.

8) Methods of Analysis, Investment Strategies and Risk of Loss

8A) Methods of Analysis and Investment Strategies

Our strategies may include: long-term purchases, short-term purchases, trading, short sales, margin transactions, and option writing (including covered options, uncovered options, or spreading strategies).

Our GIPS (Global Investment Performance Standards) composite description is as follows:

Our portfolio seeks a return similar to the long-term historical stock market return with less volatility, in an opportunistic manner, using a full range of investment strategies to invest in stocks, bonds, and options. Primary investment targets are dominant companies in attractive industries in a global context positioned to appreciate from their leadership position.

Opportunities for improving income and risk-adjusted returns are sought through careful security selection with a focus on this dominant market position, strong relative earnings strength and high-profit margins. These portfolios have comparatively high dividend yields and low-price earnings multiples. When market conditions warrant, volatility is reduced by selling calls and puts to increase cash flow. This strategy is for investors with a greater than 10-year time horizon plus the ability to tolerate risk and volatility. An appropriate benchmark for this composite would be a blend of 80% S&P 500 Index and 20% Barclays Capital Municipal Bond Index. An alternative benchmark is a blend of 80% AC World and 20% Barclays Capital Municipal Bond Index.

Past returns and volatility are not indicative of future returns and volatility. Our clients should have a minimum ten-year time horizon, as investment in securities involves risk of loss. We spend considerable time and thought understanding history as it is the best indicator of future events, but the problem of the outlier event is difficult to eliminate.

8B.) The history of money would show the greatest risk is the reduction in purchasing power of our currency. We endeavor to protect our client's purchasing power. Most academics would say the US Treasury Bond is a risk-free investment. In dollar terms, that is probably correct. Over twenty years or more, the safest investments - Treasuries, CD's and cash- have historically performed the worst. Generally, the greatest risk we all have is preserving our purchasing power.

Stocks are probably the best way to preserve purchasing power, most similar to what Adam Smith (1776) described as a "capital asset." Our companies are typically income producing assets like owning your own business, without the effort of running your own business. The risk is that basically 4 out of 5 years are up, but every 5-7 years we suffer a correction, and

corrections can be 30-50% decline peak to trough. We have also seen a paradox that individuals have money towards the end of the cycle and need money during the decline. Thus if the investments are made toward the end of the advance, and sold during the decline, this will have a detrimental effect on performance.

Bonds are more difficult to ascertain risk and generally require more effort. Bonds have interest-rate risk, default risk, and reinvestment risk, in addition to others. We usually invest in municipal bonds. We like the “non-commercial” aspects of cities, states and school districts.

Our strategy with bonds has been that “return of the money can be more important than the return on the money”. We generally pick General Obligation bonds, previously all highly rated. We like to go toward the longer term, looking for the highest return. At times, we may reduce our standards if the returns seem warranted.

Options We typically write covered calls on companies that have recently moved higher. Sometimes it is for a price we would be willing to sell the company, but sometimes it is more of a hedge to protect us from a modest decline. The hedge is quite small, usually 1-2% so hedge is probably too strong of a word. If the stock moves up or down a couple of percent, we will probably be satisfied we did it. Many times this is not the case, the two extremes are a violent move up or down. Both of these are bad. Either we took the risk and only made a little, or we took the risk and got punished. The one attribute that has protected us is the fundamental analysis we did in the first place. By purchasing generally larger, high quality companies for the right price, we typically do not see the volatility of an unmanaged market. This may not always be the case, and it is why at times we may not be writing options.

We typically write puts on companies we want to purchase. The asymmetries of risks are the same as a covered call. If the stock goes up, we make a small amount; if it does down, we can lose a lot. Our only protection from a having a below-average experience is the judgment of purchasing a stable company at the lower end of its trading range.

Portfolio The one risk we will always have in one form or another is market risk. We can do all of the research we want, but if the overall market is down, we will probably be down. In 2008 the S&P 500 was down 38%, The World Index was down 42% and we were down 28%. Our worst quarter was near the very end of the correction. This was a result of our net purchasing into the decline. In reflecting back, not knowing when the bottom is, we do not think we would have done anything different. Thus, if the market had not corrected, our returns could have been worse. We do not know the future but if we get to relive another crisis, we plan again to net purchase capital assets as the overall market declines.

Benchmarks

An 80% equity 20% fixed income is an appropriate index. An appropriate US Index would be a blend of 80% S&P 500 with dividends (S&P 500) and 20% Barclay’s Capital Municipal Bond Index (Muni). An appropriate Global Index is a blend of 80% MSCI World Index developed and emerging with dividends net of tax (World) and 20% Muni Index. The volatility of the indices may differ from the volatility of the composite. Our historical volatility has been closer to an 80/20 than 100% equity, for we may have cash and bonds and the options we use tend to reduce

volatility. Past volatility of our portfolio or any of the index blends may not be the indicative of future volatility. The index price data is provided from Interactive Data.

The Standard & Poor's 500 (S&P 500) is a market cap weighted index of the prices of 500 large cap common stocks actively traded in the United States. The stocks included in the S&P 500 are those of large publicly held companies. Standard and Poor's is a division of McGraw-Hill Companies. The index we are using includes the dividends. Typically, we have more exposure to U.S. markets than a true market cap weighted All Country World index.

The World Index (MSCI All Country World Index) is a free float-adjusted market capitalization weighted index that is designed to measure the equity market performance of developed and emerging markets. The index consisted of 44 country indices comprising 23 developed and 21 emerging market country indices. It is maintained by MSCI, formerly Morgan Stanley Capital International, and priced in US Dollars. The MSCI World Index measures the market performance, including both price performance and income from dividend payments. The total return methodology reinvests net dividends in the index on the day the security is quoted ex-dividend. The dividend is reinvested after deducting withholding tax, applying the rate to non-resident individuals who do not benefit from double taxation treaties. MSCI uses withholding tax rates applicable to Luxembourg holding companies.

The Barclay's Capital Municipal Bond Index (Muni Index) was formerly the Lehman Brothers U.S. Municipal Index covers the US dollar-denominated long term tax exempt bond market. The index has four main sectors: state and local general obligation bonds, revenue bonds, insured bonds, and pre-refunded bonds. The composition is rebalanced monthly at each month end and represents the set of bonds on which index returns are calculated. Interest and principal payments earned are held in the index without a reinvestment return until month-end when it is removed from the index.

The blends are a weighted average of the period's returns of the S&P 500 and the Muni Index, and the MSCI World Index and the Muni Index.

Risk: The Adviser does not guarantee the future performance of the account or any specific level of performance, the success of any investment decision or strategy that the Adviser may use, or the success of the Adviser's overall management of the account. The Client understands that investment decisions made for the account by the Adviser are subject to various market, currency, economic political and business risks, and that those investment decisions will not always be profitable. The Adviser will manage only the securities, cash, and other investments held in the Client's account. In making investment decisions for the account, the Adviser will consider only the investments owned by the Client which the Client has disclosed to the Adviser.

We manage a client's multiple accounts as if they were one. Thus smaller accounts will not be diversified in a way to stand on its own, only as a piece of the whole. In cases where clients are liquidating, we will sell securities as required, and the client acknowledges that such sales will be reducing the diversification of the remaining portfolio. Clients that want to borrow on securities are allowed to and should realize the volatility of the net portfolio will increase.

Assets are invested primarily in a diversified portfolio of New York Stock Exchange listed domestic and foreign stocks, occasionally in over-the-counter securities. Investments may also include: warrants, corporate debt securities, commercial paper, certificates of deposit, municipal securities, investment company securities (mutual funds), U. S. government securities, options contracts on securities, and interests in partnerships (oil and gas or real estate). Initial public offerings (IPOs) are not available through Rexford Capital. The money market fund charges each shareholder an investment management fee that is disclosed in the mutual fund prospectus. The brokerage firm usually charges a fee for stock and bond trades. Rexford Capital does not receive any compensation from mutual fund companies or custodians.

8C.) Risk of Loss in a Particular Type of Security

We manage a diversified portfolio of assets. Please refer to Section 8B. for risks of a particular asset.

9) Disciplinary Information

Rexford Capital or management persons have NO disciplinary issues, either in the past 10 years nor pending.

9A.) No criminal or civil action in a domestic, foreign or military court of competent jurisdiction in which Rexford Capital or management persons

1. was convicted of, or pled guilty or nolo contendere (“no contest”) to
 - (a) any felony;
 - (b) a misdemeanor that involved investments or an investment-related business, fraud, false statements or omissions, wrongful taking of property, bribery, perjury, forgery, counterfeiting, or extortion; or
 - (c) a conspiracy to commit any of these offenses;
2. is the named subject of a pending criminal proceeding that involves an investment-related business, fraud, false statements or omissions, wrongful taking of property, bribery, perjury, forgery, counterfeiting, extortion, or a conspiracy to commit any of these offenses;
3. was found to have been involved in a violation of an investment-related statute or regulation; or
4. was the subject of any order, judgment, or decree permanently or temporarily enjoining, or otherwise limiting, the supervised person from engaging in any investment-related activity, or from violating any investment-related statute, rule, or order.

9B.) No administrative proceeding before the SEC, any other federal regulatory agency, any state regulatory agency, nor any foreign financial regulatory authority in which Rexford Capital or management persons

1. was found to have caused an investment-related business to lose its authorization to do business; or
2. was found to have been involved in a violation of an investment-related statute or regulation and was the subject of an order by the agency or authority
 - (a) denying, suspending, or revoking the authorization of Rexford Capital or management persons to act in an investment-related business;
 - (b) barring or suspending Rexford Capital or management persons association with an investment-related business;

- (c) otherwise significantly limiting Rexford Capital or management persons' investment-related activities; or
- (d) imposing a civil money penalty of more than \$2,500 on Rexford Capital or management persons.

9C.) No self-regulatory organization (SRO) proceeding in which Rexford Capital or management persons

1. was found to have caused an investment-related business to lose its authorization to do business; or
2. was found to have been involved in a violation of the SRO's rules and was: (i) barred or suspended from membership or from association with other members, or was expelled from membership; (ii) otherwise significantly limited from investment-related activities; or (iii) fined more than \$2,500.

9D.) No other proceeding in which a professional attainment, designation, or license of Rexford Capital or management persons was revoked or suspended because of a violation of rules relating to professional conduct.

10) Other Financial Industry Activities and Affiliations

10A.) We are not registered as a securities broker-dealer nor have an application pending.

10B.) We are not registered as a futures commission merchant, commodity pool operator, or commodity trading adviser, nor have an application pending.

10C.) We do not have arrangements with a related person that is a

- a. broker-dealer, municipal securities dealer, or government securities dealer or broker
- b. investment company or other pooled investment vehicle (including a mutual fund, closed-end investment company, unit investment trust, private investment company or "hedge fund," and offshore fund)
- c. other investment adviser or financial planner
- d. futures commission merchant, commodity pool operator, or commodity trading advisor
- e. banking or thrift institution
- f. accountant or accounting firm
- g. lawyer or law firm
- h. insurance company or agency
- i. pension consultant
- j. real estate broker or dealer
- k. sponsor or syndicator of limited partnerships.
- l. futures commission merchant or dealer or entity that packages limited partnerships. Neither we nor any related person serve as general partner for investments we solicit.

10D.) We recommend financial advisors but do not receive compensation for it.

11) Code of Ethics

Objectivity: We strive to be as unbiased as possible in providing advice to clients and we practice on a fee-only basis.

Confidentiality: We shall keep all client data private unless authorization is received from the client to share it. We shall treat all documents with care and take care when disposing of them. Relations with clients shall be kept private.

Competence: We shall strive to maintain a high level of knowledge and ability. We shall attain continuing education at least at the minimum level required by NAPFA, 60 hours every two years. Members shall not provide advice in areas where they are not capable.

Fairness & Suitability: Dealings and recommendation with clients will always be in the client's best interests. We put our clients first.

Integrity & Honesty: We will endeavor to always take the high road and to be ever mindful of the potential for misunderstanding that can accrue in normal human interactions. We will be diligent to keep actions and reactions so far above board that a client, or other professional, would not doubt our intentions. In all actions, we should be mindful that in addition to serving our clients, we are about the business of building a profession and our actions should reflect this.

Regulatory Compliance: We will strive to maintain conformity with legal regulations.

Full Disclosure: We shall fully describe our method of compensation and potential conflicts of interest to clients and specify the total cost of investments.

Professionalism: We shall conduct ourselves in a way that would be a credit to ourselves at all times. The code involves integrity, honest treatment of clients, and treating people with respect.

11A.) Description of Code of Ethics

Our code is available upon request. We are members of four industry groups and are subject to their codes of conduct. The codes evolve over time and we intend to evolve with them. The industry groups are:

1. NAPFA (National Association of Personal Financial Advisors) for they are particularly good at avoiding conflicts
2. CFP (Certified Financial Planner) for their efforts to help in financial planning
3. CFA (Chartered Financial Analyst) for their efforts in security analysis
4. IMCA (Investment Management Consultants Association) for their efforts in investment management.

11B.) Material Financial Interest

Rexford Capital does not recommend clients invest in any investment that related persons have a material financial interest. We do recommend that clients invest in securities that Rexford Capital and its clients concurrently own; however, our positions in these publicly traded companies are considerably less than 1%, so as to not affect the current market price.

11C.) Participation or Interest in Client Transactions:

When trading in our account we typically trade in a block with clients. If we do not trade with clients, we have a 48-hour rule. This prevents employees from benefiting from trading before a client.

Robert Rexford and Kim Rexford have their entire investable net worth in the securities recommended by Rexford Capital. Rexford Capital and its employees buy or sell securities that are also held by clients. Firm personnel hold securities recommended for purchase or sale on behalf of clients. The Firm's policy allows for simultaneous recommendations or trades but requires that the interests of clients are considered first. We have a policy that prevents front running, the practice of trading before a client. Since all securities under consideration are public and are widely held, we do not believe we will have a large impact on the price of securities. To avoid any conflicts, we do not trade against clients; our trades in the same security are done from the same side. A copy of our Code of Ethics is provided.

Front running is the illegal practice of a broker putting in an order before a customer's order. This is related to trading with insider information, for if you know of a pending trade you might be able to benefit from such information. Rexford Capital prohibits front running and we have a policy regarding employees' personal trading to deal with our prohibition with front running. At Rexford Capital, we generally deal with this by trading with clients and sharing our average price.

11D.) Concurrent Trades

We typically purchase a certain percentage of the entire household net worth. Thus a \$2 million account may have twice the position of a \$1 million account. Unless a client has a unique situation, either they deposited cash, deposited a security, or needed cash, all of our trades are done through a block trade. This allows us to purchase a security in one or several trades, bundle them together as if it were one trade and allocate to all of the clients, including ourselves, at the average price. If there is a partial fill, we have a process to allocate fairly. By purchasing securities in a block, everyone gets the average price. If a conflict arises, we will favor the client.

Privacy Notice

We at Rexford Capital Inc. respect your financial privacy. We recognize that you have provided us with private personal financial information and want you to know our policy regarding that information.

We collect your personal financial information from the following sources:

- Information you have given us such as investment advisory agreements, brokerage account applications, and other documents you completed while opening and maintaining your accounts with us.
- Information you have given us orally.
- Information we receive from third parties such as brokerage firms, outside managers and banks about your transactions with us or with others.

We do not disclose any nonpublic personal financial information, except in the following circumstances:

- When we are required to execute transactions for your account or otherwise to provide services you request.
- When you have specifically authorized and directed us to do so, i.e. under the Wealth Advisor Service, pertinent information will be forwarded per your instructions.
- When required by law, when our books and records are examined by federal or state regulators.

We maintain physical, electronic and procedural safeguards within the firm's offices to protect your privacy.

12) Brokerage Practices

We recommend custodians based on what we see as the best execution of orders at reasonable commission rates. The ability to offer block trades and options are two limiting factors. Specific custodian recommendations are made to clients based on their needs. Most of our clients have simple needs, but occasionally we will hear of a special need, such as a prepaid forward or a commodity trade.

Rexford Capital recommends discount brokerage firms and trust companies. Rexford Capital does not receive fees or commissions from any of these arrangements.

Fidelity makes software available to us in order to execute block trades through Fidelity and to download information on clients' accounts electronically. This software is not available for sale, and all Advisors using Fidelity are equipped with this software.

Occasionally we make mistakes in order entry. Fidelity Investments credits or debits our corporate account with any gains or losses that result. Since it is our capital on the line we may take steps to minimize any losses. At times our efforts may be successful, turning a loss into a gain.

We feel that some clients are better served with our Wealth Advisory Service. Since the fee is higher with Wealth Advisory, it can create a conflict of incentive to recommend it. We are not currently accepting new clients for Wealth Advisory Service.

We want our employees to stay as current with Financial Planning and Investment Management. One of the methods we use is to attend conferences. Conferences can serve as an advertising venue for companies marketing products and services to investment advisors. The firm does not make product decisions based on its attendance. Some events charge admission, some are subsidized, and some are free. Below is a list of conferences attended or under consideration for attendance by firm personnel, showing what entity covers expenses.

	Travel	Lodging	Food	Conference
NAPFA	RCI	RCI	RCI	RCI
Schwab Impact Conference (SCH)	RCI	RCI	RCI	RCI
Schwab Solutions Conference (SCH)	RCI	RCI	SCH	SCH
TD Ameritrade National (TDAMTD)	RCI	RCI	TDAMTD	TDAMTD
Fidelity Educational Workshops (FID)	RCI	RCI	FID	FID
IMCA National (IMCA)	RCI	RCI	RCI	RCI
FPA National (FPA)	RCI	RCI	RCI	RCI

*RCI – Rexford Capital, Inc.

All computers, research, software, postage, marketing materials, seminars, client dinners, advertising, furniture, copiers and printers are paid for by Rexford Capital.

From time to time we are entertained by a vendor when we attend a conference or seminar. It is our goal to pay our costs, but we will allow a vendor to pay as long as the cost is immaterial.

12A.) Research and Soft Dollar Benefits

Generally, when dealing with a national brokerage firm, we are advocates of the least expensive option. Having written that, integrity and the ability to perform is absolutely critical to handling money. If we learn of a policy that seems to offer a risk to the client, we will avoid such firms.

- 1) We have never had a soft dollar relationship. We see this as a gross conflict of interest, a misuse of client property, and a kickback.
 - a) We pay for our own research. If we received research or other products or services from the trades we did through the custodian, we would have a gross conflict of interest, so we do not.
 - b) We do NOT accept benefits from the custodian based on our behavior. This would be a conflict of interest, an incentive to behave in a way that would not be in the interest of the client.
 - c) We do NOT cause clients to pay more for transactions and in return receive direct or indirect benefits. In common vernacular, we do not accept kickbacks. We continually check with national custodians to compare commission pricing to confirm that we are receiving the best price and execution.

d) We do NOT accept soft dollars. If the level of trading we do allows us to get a lower price in any form, the savings will go directly to the client. Each client will benefit to the extent that the client has executed transactions.

e) Rexford Capital, our employees and related persons do NOT receive any products or services from the brokerage commissions. The only product we receive is Fidelity trading software - a product that is not available for sale, nor do they require any amount of activity to receive it. They are products Fidelity has developed to help Advisory Firms transact business electronically.

f) We did NOT have any soft dollar transactions in the past fiscal year, nor since the founding of the firm.

2) We do NOT participate in directed brokerage. In the past few years, firms like Charles Schwab and TD Ameritrade have been recruiting firms to their platform using potential referrals as an inducement. Schwab has gone so far as to have advisors pay thousands of dollars to receive these referrals. We see this as a gross conflict of interest and a “you scratch my back and I’ll scratch yours”.

a) As of this writing, we have never received a referral from Fidelity, and since they are a competitor, it is unlikely we will get one. If we get one, it will be presumably from the reputation our firm. It will not be because we paid them for the referral.

b) Since we do not pay any brokers for client referral, we do not have any procedures to deal with such conflict. We think the best procedure is to just not do it.

3) Directed Brokerage

a) We require accounts that we manage to have the assets at Fidelity. Prior to 2011, we did not require any client to have an account at Fidelity. At times, Fidelity may not have the most favorable equity execution, but it will be competitive. For fixed-income securities, Fidelity has BondTraderPro with a network of 175 brokers-dealers that allows us to access other firm’s capital on 35,000 securities. Bond Trader Pro allows us to purchase from other brokers’ inventory and allows them to bid on our bonds.

b) We do NOT permit clients to direct brokerage. There is no easy way to clear trades fairly through two or more firms. Whoever gets to trade first should win. We have concluded it is best to clear through one firm, until that firm is inferior and then we will try to move all accounts to another firm.

12B.) We prefer to aggregate trades whenever possible, thus allowing everyone to share an average price. This will allow us to work large orders in what we think is usually the best way, limit orders. Trading has a living characteristic to it. If you show a large order in a thinly traded stock, you will usually see the price move away from you. If it is a large order, we can put in a series of smaller trades. If there is a big order on the other side we can fill it with a market order. If we get a partial fill, or if the market is moving away from us, we may

need to change some prices. Whatever happens, we are always trying to get the best price. When the work is complete, by aggregating the trades, the entire client base will share the average price. There is no discount on the commission; whatever Fidelity charges for each account will be unaffected by the size of the overall block. With bond aggregation, there is usually a benefit to a larger trade.

13) Review of Accounts

13A.) Investment Management reviews are performed continually by Robert Rexford. We have technologies that will allow us to manage many accounts. Conditions that trigger a review are typically changes in the price of securities, and the redistribution of assets into more attractive or less risky positions.

13B.) Reviews are also performed on a client-specific event which would include changes in a client's own situation which might include a tax status, an employment event, retirement or a need to raise cash. We also check each client's rate of return with that of our average. If there is a disparity, we will look for reasons.

13C.) Clients will receive a Quarterly Performance Review from Rexford Capital posted in a secure electronic vault. Clients receive an email notification that the report is available to download.

14) Client Referrals and Other Compensation

14A.) We do NOT receive any economic benefit from non-clients for providing investment advice or other advisory services to our clients.

14B.) We do NOT compensate any person that is not a supervised employee. No related party compensates any person that is not a supervised employee. We have been solicited by brokers that want a percentage of the commission of the clients they refer. This is a gross conflict. The prospect needs to understand why the referral is being made, because the broker really believes in the service or because he is getting paid to recommend firms.

15) Custody

Fidelity is our custodian and the definitive source for account information. Fidelity sends monthly statements; for inactive accounts, annuities, or 529 accounts, the statements are quarterly. Fidelity offers online access, so many security values are priced daily or even intraday. Rexford Capital offers daily performance through an online portal. Our statements are for information purposes only; Fidelity will be the definitive source. If a discrepancy exists, we ask any client to let us know so we can correct it. Our reports are either uploaded to an electronic vault, mailed, or hand-delivered. Clients receive an email to notify them that their report is available for download.

16) Investment Discretion

When the client executes a Full Trading Authorization, Rexford Capital has the authority to determine, without obtaining specific client consent, the securities to be bought or sold, the amount of the securities to be bought or sold, and the brokerage to be used. We do not accept limitations to the Full Trading Authorization. Rexford Capital does not receive any portion of the transaction fees or commissions paid by the client to the custodian.

On June 14, 2021, Texas modified its law protecting elder and vulnerable adults from

financial exploitation by clarifying the law's wording and expediting the process for placing holds. The enacted Texas House Bill 4477 allows firms to place a transaction hold on a vulnerable adult's account if the firm (i) submits a report of the suspected financial exploitation to the [Securities Commissioner](#) and the [Department of Family and Protective Services](#); and (ii) has reason to believe the transaction is related to the suspected exploitation detailed in the report. In addition, the transaction hold time has changed to up to 10 business days after the date the hold is placed, as opposed to the 10 business days after the submission of a report, or by a court order. The law went into effect Sept. 1, 2021.

17) Voting Client Securities

17A.) Our proxy policy is to vote what we believe to be in the clients' best interest. Clients may request records from us indicating how we voted on any particular proxy issue or our proxy policies. We vote with the financial interests of the shareholders. If a client asked us to vote in a way that would not maximize the value to shareholders, we would ask the client to remove the security from our management and hold it somewhere else. Due to the small size of our firm, there should be no material conflicts of interest.

17B.) Not applicable.

18) Financial Information

We have gone out of our way to avoid conflicts of interests. We see no advantage for us to hold the client assets, as it is possibly a grave conflict of interest. The greatest securities scams have involved misuse of client assets, going back to Charles Ponzi himself, Stanford Group, and Bernie Madoff. As long as there are regulated custodians there is no reason to have the same firm giving investment advice and holding custodian assets. Rexford Capital does not serve as a custodian for client funds or securities, thus no balance sheet is required.

18A.) We do NOT require or solicit prepayment of fees.

18B.) There is no financial condition that is reasonably likely to impair our ability to meet contractual commitments to clients.

18C.) We have NOT been subject to a bankruptcy petition at any time, including the past 10 years.

19) Requirements for State-Registered Advisers

19A.) Robert S. Rexford (1964) has a Bachelor of Science in Economics with Financial Applications from Southern Methodist University (1987) and a BBA from the Cox School of Business at Southern Methodist University. He is a Certified Financial Planner CertificantTM, and National Association of Personal Financial Advisors (NAPFA) registered Fee-Only advisor, a member of the Financial Planning Association (FPA), a member of the CFA Institute and a member of IMCA (Investment Management Consulting Association). He has the Series 65 (Investment Advisor Exam). Robert also serves as Chief Compliance Officer.

Kim Wells Rexford (1967) has a Bachelor of Business Administration from Southern Methodist University. She was a commercial loan assistant at Frost Bank for 7 years (1990-1997), where she trained all new employees on their proprietary database. She has been Secretary and Treasurer of Rexford Capital, Inc. since its inception in 2003.

19B.) We are NOT engaged in any other business.

19C.) We are NOT compensated by performance-based fees. This creates a “Heads I win, tails you lose”. This would incentivize an advisor to potentially, probably inevitably, take more risk.

19D.) No management person has been involved in any of the legal events below:

- 1) We have not been found liable in an arbitration claim in excess of \$2,500 involving:
 - A. an investment or an *investment-related* business or activity;
 - B. fraud, false statement(s), or omissions;
 - C. theft, embezzlement, or other wrongful taking of property;
 - D. bribery, forgery, counterfeiting, or extortion; or
 - E. dishonest, unfair, or unethical practices.

- 2) An award or otherwise being *found* liable in a civil, *self-regulatory organization*, or administrative *proceeding involving* any of the following:
 - A. an investment or an *investment-related* business or activity;
 - B. fraud, false statement(s), or omissions;
 - C. theft, embezzlement, or other wrongful taking of property;
 - D. bribery, forgery, counterfeiting, or extortion; or
 - E. dishonest, unfair, or unethical practices.

19E.) We do not have any other relationships with any other issuer of securities.

REXFORD CAPITAL
WEALTH MANAGEMENT