

Item 1: Cover Page

Prism Capital Management, LLC
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February 27, 2023

This Form ADV 2A firm brochure provides information about the qualifications and business practices of Prism Capital Management, LLC (“Prism”). If you have any questions about the contents of this firm brochure, please contact us at 360-419-6063 or by e-mail to info@prismadvisor.com. The information in this firm brochure has not been approved or verified by the United States Securities and Exchange Commission (“SEC”) or by any state securities authority.

Additional information about Prism is available on the SEC’s website at www.adviserinfo.sec.gov. The searchable IARD/CRD number for Prism is 135440.

Item 2: Material Changes

This version of our firm brochure contains the following material changes from the prior version dated February 1, 2022:

- Item 4 has been clarified to reflect that in certain instances, Prism may engage third party money managers or sub-advisors (collectively, “Independent Managers”) to assist in the management of client assets.
- Item 4 has been clarified to reflect that we provide ad-hoc financial advice regarding routine financial matters and advice regarding held-away accounts to clients.
- Item 4 and Item 12 have been updated to reflect that our firm now typically recommends the custodial and trade execution services of Charles Schwab & Co, Inc. to new clients.
- Item 4 and Item 5 have been amended to disclose the nature and fees associated with the investment advisory services we offer to retirement plans and their sponsors.
- Item 5 has been amended to reflect that separate and in addition to Prism’s advisory fees, client shall also bear the costs of any fees charged by Independent Managers (if applicable).
- Item 12 has been amended to reflect that we receive certain benefits from the broker-dealers and custodians we recommend to clients.

We will update this firm brochure and disclose in this Item 2 upon the occurrence of any material changes with respect to our business in accordance with applicable law. All current clients will receive a Summary of Material Changes, if any, to this and subsequent brochures within 120 days of the close of our fiscal year and certain additional updates regarding changes with respect to our firm and our business practices as they may occur. Updated information concerning these changes will be provided to you free of charge. A Summary of Material Changes is also included within our brochure found on the SEC’s website at www.adviserinfo.sec.gov. You can obtain additional information about our firm by searching for us on the foregoing website by our firm name or by our unique IARD/CRD number (135440).

Currently, a copy of this firm brochure may be obtained free of charge by contacting Dieter Drews J.D., Founder/CEO at 360-419-6063 or info@prismadvisor.com. Our firm brochure is also available free of charge on our web site at www.prismadvisor.com.

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Item 4: Advisory Business

OUR FIRM: Prism Capital Management, LLC (“Prism,” “firm,” “we,” “us,” and “our”) is a Washington limited liability company that provides tailored investment advice to its clients (“you,” “your,” and “client”) in a fiduciary capacity. The firm was founded in 2005 by its Chief Executive Officer, Dieter Drews, J.D.

Our principal offices located in Mount Vernon, Washington. We typically meet with clients on an appointment-only basis, however, we are happy to make special arrangements to accommodate clients residing outside of the Mount Vernon, Washington area for in-person, telephonic, and/or tele-video based meetings. Phone calls to our main office are answered from 8:00am to 4:00pm PST Monday through Friday. Our offices are closed according to the holiday calendar of the New York Stock Exchange.

The information contained in this brochure describes our investment advisory services, practices, and fees. Please refer to the description of our investment advisory services reflected below for information on how we tailor our services to the needs of our clients.

Prior to forming an investment advisor-client relationship with you, we may offer a complimentary general consultation to discuss the nature of our services and to determine how we can best assist you to achieve your financial goals and objectives. Investment advisory services begin only after you execute a written advisory agreement with Prism outlining the services to be provided and other important conditions of our relationship with you.

OUR SERVICES: We offer advice on a wide variety of investments to our clients. Our investment advice is always tailored according to each client’s unique financial circumstances, objectives, needs, and limitations. A description of our services is as follows:

Prism offers **discretionary portfolio management services**, including the ongoing monitoring of your designated investment accounts. The management of your accounts is always carried out in accordance with our understanding of your unique financial circumstances, investment goals, needs, and objectives. You will be required to deposit your assets to an account (or accounts) held in your name at an independent qualified custodian (“Custodian”), typically a licensed broker-dealer, banking, or savings institution. The Custodian selected by you will execute securities transactions within your account upon our instructions. We will *not* be required to obtain your prior approval for each specific investment transaction we direct within your account. You may impose reasonable restrictions on our management of your account(s), including instructing us not to purchase certain specific securities, industry sectors, and/or asset classes.

We will consult with you at the inception of our relationship and periodically thereafter, as necessary, to gather information regarding your financial circumstances, investment objectives and limitations, tolerance for investment risk, and time horizon for investments.

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Based on our analysis of the information you provide during our consultations we will develop a personalized asset allocation investment plan and implement a portfolio of investments within your account(s) intended to align with your unique investor profile. We will monitor your account(s) on an ongoing basis and implement changes to your portfolio as needed or appropriate, in consideration of current economic conditions, our market opinions and assumptions, and any material changes in your individual financial circumstances, goals, and needs. It is your ongoing responsibility to advise us promptly during our relationship of any material changes in your financial circumstances which might alter our investment advice to you.

In some circumstances, the portfolio we design for you may incorporate the use of third party money managers or sub-advisors (collectively, “Independent Managers”) to provide discretionary management to some or all of your assets. The Independent Managers we select for management of your account will be responsible for investment research and day-to-day trading decisions involving the assets placed under their management. Prism will communicate your investment needs to the Independent Manager and select an investment strategy for the Independent Manager to implement within your account. We will monitor the Independent Manager’s management of your assets and seek to ensure that the Independent Manager’s performance, strategy, and management style remain aligned with your investment needs and objectives. You will be provided with the Form ADV Part 2A (or equivalent disclosures) for any recommended Independent Manager(s) at or prior to the time they begin to manage your account.

Client investment portfolios typically incorporate a diversified mix of investments, including some or all of the following: mutual funds, exchange traded funds (“ETFs”), real estate investment trusts (“REITs”), individual stocks, corporate and government issued bonds, options, variable annuities, cash, and cash equivalents. Where appropriate, your portfolio may also include insurance products and/or other types of investments.

Portfolio management clients also receive ongoing ad-hoc financial advice regarding routine financial matters and questions regarding topics such as budgeting/cash flow management, insurance coverage, and basic retirement planning. This portion of our asset management services is entirely non-discretionary in nature – you will make all final investment decisions and be responsible for implementation and monitoring of all investments held outside of the account(s) we directly manage on your behalf at the Custodian. Our ad-hoc financial advice is not intended as broad-based financial planning and we will not provide you with a written financial plan or report as part of our services.

In addition, where requested by you, we may also provide you with recommendations regarding the investment of certain “held-away” assets (*e.g.*, investments held in employer sponsored retirement accounts, qualified tuition plans, or variable annuity sub-accounts). For these accounts, we will typically be limited to advising you as to the allocation of your holdings among the various investment options made available by the product sponsor, issuer, or Custodian. This advice is complimentary, and you will make all final investment

decisions and be responsible for the implementation and monitoring of all assets contained in your held-away accounts.

Prism has typically recommended the custodial and trade execution services of Axos Advisor Services (“Axos”) and its affiliated broker-dealer, Axos Securities (“Axos Securities”), Member FINRA/SIPC, to its legacy clients. For new client relationships, Prism typically recommends the custodial and trade execution services of Charles Schwab & Co, Inc. (“Schwab”), Member FINRA/SIPC. For annuity accounts and 401k accounts, we presently recommend products and services offered by Nationwide and Transamerica. We may recommend other Custodians and service providers to our clients in the future.

Where Axos is utilized as the Custodian for your account, execution of securities transactions will be conducted by Prism either through Axos Securities or through other broker-dealers as may be directed by Prism. Axos has also entered into agreements with various insurance companies that allow for Prism to directly manage and receive account valuation information regarding certain variable annuity products held within the client accounts.

We also offer **retirement plan consulting services** to qualified retirement plans and their fiduciaries based upon the needs of the plan and the services requested by the plan sponsor or named fiduciary. In general, these services may include a review of an existing plan, formulation of the investment policy statement, assistance selecting and monitoring plan service providers, recommendations regarding investment selection, on-going consulting, portfolio management services, and participant enrollment and investment education services.

We do not currently sponsor, serve as a portfolio manager to, or recommend any wrap fee programs to our clients.

The types of investments we typically recommend are described above in this Item 4. The investment strategies and methods of analysis we utilize are described below in Item 8.

As of December 31, 2022, we manage approximately \$21,726,556 in client assets on a discretionary basis and \$12,270,069 on a non-discretionary basis.

Item 5: Fees and Compensation

OUR FEES: We charge annual advisory fees that are calculated as a percentage of the value of the assets you place under our management (*i.e.*, asset-based fees). The specific fees you will pay Prism are individually negotiated based on both the complexity and total dollar asset value of your account. Factors we may consider when negotiating fees with you may include, without limitation, whether and to what extent your account(s) are actively or passively managed, the complexity of the investments/investment strategies to be pursued

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on your behalf, whether you require above average interaction with our firm (more frequent client meetings and communication, etc.), and various other factors to be discussed with you.

Typical client fees range from 0.50% to 1.99% per year of the value of your assets under management and will be charged under a tiered fee schedule materially similar to that reflected below.

Value of Assets Under Management	Annual Fee Rate
\$10,000 to \$30,000	\$200
\$30,001 to \$100,000	1.99%
\$100,001 to \$250,000	1.75%
\$250,000 to \$500,000	1.50%
\$500,001 to \$1,000,000	1.25%
Over \$1,000,000	1.00%

For purposes of calculating our advisory fees, where fees are charged on a quarterly basis, the following formula shall apply: [(account value or average daily balance at the end of the quarter) x (annual fee rate)] ÷ (4 quarters) equals the quarterly fee.

For example, an account with an end of quarter value of \$100,000 would pay fees calculated as follows: $\$100,000 \times 1.99\% = \$1,990$ yearly fee / 4 = \$497.50 fee for the quarter.

We will typically rely upon the market value of your account as determined by the independent qualified Custodian of your assets. The Custodian may use various pricing services such as Reuters or Standard & Poor's to price securities held in your account. For actively traded securities, these services use the actual last reported sale price. For less actively traded securities such as bonds, these services will use the appropriate valuation methodology to determine the value of the security. You should contact us with any questions or concerns about the manner in which the Custodian has priced any investments held in your account.

Advisory fees for client assets held at Axos and Nationwide will typically be billed quarterly in arrears. Such fees will be calculated at the beginning of each billing period based upon the average daily balance ("ADB") of the client's account for the previous period. The ADB excludes unprocessed securities trades and days when the account has a zero balance. At the beginning of each period, Axos and Nationwide will provide clients a quarterly account statement for the prior quarter that will include a fee notification disclosing the advisory fee, any adjustments, and the net fee to be automatically deducted later in the period from the account. Fees for partial periods at the commencement or termination of Prism's services will be pro-rated based upon the number of days that the account was open during such partial periods and any earned but unpaid fees will be due and payable.

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Advisory fees for client assets held at Schwab and all other Custodians will typically be paid quarterly in advance. The advisory fee will be equal to the agreed upon annual fee rate, times the market value of the account at the end of the previous quarter (not adjusted by any margin debt), divided by four quarters. Fees for partial periods at the commencement or termination of Prism's services will be pro-rated based upon the number of days that the account was open during such partial periods and any unearned fees paid in advance will be refunded to the client. Except for de minimis additions or withdrawals, fees shall be further adjusted for additional assets received into the account during a quarter or for partial withdrawals on the pro rata basis (based on the date of the underlying transaction(s)).

In some instances, **retirement plan consulting services** clients may enter into a negotiable annual fixed fee arrangement with our firm, rather than an asset-based fee as described above. In this scenario, the annual fixed fees for our services to the plan will typically range from \$10,000 to \$20,000 per year and will be payable to us pro-rated quarterly installments, billed in advance. These fees are paid by check or other form of payment deemed acceptable by Prism.

Clients should note that Prism's fees may be higher or lower than those charged by other investment advisors for similar services. We believe that our fees represent good value to our clients based on the level and quality of our services.

DIRECT FEE DEDUCTION: Unless otherwise agreed, all advisory fees will be paid directly from your account(s) held at the Custodian. Your written authorization for direct deduction of our fees will be contained in our written advisory agreement and/or the Custodian's account opening documentation. Where required by law, each time an advisory fee is deducted from your account, we will send you a written invoice reflecting the name of your Custodian, the amount of our advisory fee, the formula used to calculate the advisory fee, the advisory fee calculation itself, the time period covered by the advisory fee, and the amount of assets under management on which the advisory fee was based. Prism will send these invoices to you concurrent with an invoice for payment of our advisory fees to the Custodian.

The Custodian of your account will independently send you an account statement at least quarterly, identifying the amount of funds and each security in your account at the end of the period, and setting forth all transactions in the account during that period, including the amount of any fees paid directly to us from your account. The Custodian is not responsible for verifying the accuracy of any fee calculations. Therefore, we encourage you to promptly review and reconcile all reports, fee invoices, and account statements provided by the Custodian with any that may be provided to you by our firm. If you believe there has been any miscalculation of any fees or if there is any other issue with your account, you should contact us immediately at the phone number listed on the cover page of this brochure.

We will first look to cash balances in your account or to liquidate money market shares to pay our advisory fees. In the event that cash balances or money market shares are not

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available, other investments may be liquidated to pay our fees when due. We will only liquidate other investments in line with our fiduciary duty to you and will notify you of the need to liquidate investments to pay our advisory fees, should the need ever arise. You should note that unexpected or premature liquidation of investments to pay our advisory fees may impair the performance of your account. We generally do not offer paper or electronic invoicing of these fees.

Clients may request, in writing, that fees may be deducted from a master account for the benefit of other accounts within the group or household. In the event that the billed master account is closed, fees will be directly deducted from the account generating the fee.

ADDITIONAL COSTS AND EXPENSES: Separate and in addition to Prism’s advisory fees, clients shall pay any Independent Manager advisory fees (if applicable), transaction charges, custodial, and/or brokerage fees and commissions, mark-ups and mark-downs, spreads, wire transfer fees and other fees and taxes associated with the holdings and trading activity in their account(s) (collectively, “Additional Costs”). These Additional Costs will be described in the account opening documentation of the Custodian and/or other third party service providers engaged by you. You will also be separately responsible to pay your proportionate share of all management fees and other internal costs and expenses associated with your ownership, purchases, and sales of any mutual funds, ETFs, REITs, and/or other pooled investment vehicles held in your account.

The Additional Costs referenced in the prior paragraph will generally be paid directly out of the assets held in your account at the Custodian. We do not share in any portion of the foregoing additional fees and expenses. To fully understand the total costs you will incur when engaging our services, you should review the prospectus and disclosures of each Independent Manager mutual fund, ETF, REIT, and/or other pooled investment vehicles in which you are invested and the contractual arrangement with the Custodian of your account. For information on our brokerage practices, please refer to Item 12 of this brochure.

TERMINATING OUR SERVICES: You may terminate our services, without penalty, within five (5) business days of entering into an advisory agreement with us in the event we fail to provide you with a copy of this firm brochure at least forty-eight (48) hours in advance. You will not incur any advisory fees to Prism if you elect to terminate our services under these circumstances. We never charge clients any penalties in connection with the termination of our services.

Thereafter, the client may terminate our services at any time by providing written notice of termination to our firm. We may terminate services at any time by providing you with ten (10) days’ written notice of termination. To the extent any pro-rated advisory fee is due at termination (*i.e.*, where fees are billed in arrears), where required by law, an invoice reflecting the name of your Custodian, the amount of our pro-rated advisory fee for the terminating billing period, the formula used to calculate the advisory fee, the advisory fee

calculation itself, the time period covered by the advisory fee, and the amount of assets under management on which the advisory fee was based will be provided to the client upon termination. All custodial termination and transfer fees, if any, assessed by Custodian will be the responsibility of the client and the client shall be solely responsible for the management and monitoring of all assets held in the client's account(s) immediately upon termination of our services.

OTHER COMPENSATION: Prism and its associated persons are not associated or affiliated with any broker-dealer firm(s) or issuer(s) of securities. Accordingly, our firm and our associated persons do not receive any commissions or other compensation as a result of our recommendation or sale of any securities to clients. We act as your fiduciary and will only recommend investments to you when we believe such recommendations to be in your best interests.

RETIREMENT ACCOUNT ROLLOVER DISCLOSURE: As part of our investment advisory services to you, we may recommend that you roll assets from your employer's retirement plan, such as a 401(k), 457, or ERISA 403(b) account (collectively, a "Plan Account"), to an individual retirement account, such as a SIMPLE IRA, SEP IRA, Traditional IRA, or Roth IRA (collectively, and "IRA Account") that we will manage on your behalf. We may also recommend rollovers from IRA Accounts to Plan Accounts, from Plan Accounts to Plan Accounts, from IRA Accounts to IRA Accounts, and from commission-based accounts to fee-based accounts. When we provide any of the foregoing rollover recommendations we are acting as fiduciaries within the meaning of Title I of the ERISA and/or the Internal Revenue Code ("IRC"), as applicable, which are laws governing retirement accounts.

If you elect to roll the assets to an IRA that is subject to our management, we will charge you an asset-based fee as set forth in the advisory agreement executed with our firm. This creates a conflict of interest because it creates a financial incentive for our firm to recommend the rollover to you (*i.e.*, receipt of additional fee-based compensation). You are under no obligation, contractually or otherwise, to complete the rollover. Moreover, if you do complete the rollover, you are under no obligation to have the assets in an IRA managed by our firm. Due to the foregoing conflict of interest, when we make rollover recommendations, we operate under a special rule that requires us to act in your best interest and not put our interest ahead of yours.

Under this special rule's provisions, we must:

- meet a professional standard of care when making investment recommendations (give prudent advice);
- never put our financial interests ahead of yours when making recommendations (give loyal advice);
- avoid misleading statements about conflicts of interest, fees, and investments;
- follow policies and procedures designed to ensure that we give advice that is in your best interest;

- charge no more than a reasonable fee for our services; and
- give you basic information about conflicts of interest.

Many employers permit former employees to keep their retirement assets in their company plan. Also, current employees can sometimes move assets out of their company plan before they retire or change jobs. In determining whether to complete the rollover to an IRA, and to the extent the following options are available, you should consider the costs and benefits of a rollover.

Note that an employee will typically have four options in this situation:

1. leaving the funds in your employer's (former employer's) plan;
2. moving the funds to a new employer's retirement plan;
3. cashing out and taking a taxable distribution from the plan; or
4. rolling the funds into an IRA rollover account.

Each of these options has positives and negatives. Because of that, along with the importance of understanding the differences between these types of accounts, we will provide you with a written explanation of the advantages and disadvantages of both account types and the basis for our belief that the rollover transaction we recommend is in your best interests.

Item 6: Performance-Based Fees and Side-By-Side Management

Prism does not charge any performance-based fees (fees based on a share of capital gains on or capital appreciation of the assets of a client) or engage in the side-by-side management of accounts.

Item 7: Types of Clients

Prism provides portfolio management services to individuals, high net worth individuals, partnerships, corporations, and other business entities. We typically require that a client invest a minimum of \$50,000 to begin a portfolio management relationship with our firm. Accounts belonging to the same group or household may be aggregated for purposes of meeting this requirement, which we may be waived at our sole discretion.

Item 8: Methods of Analysis, Investment Strategies and Risk of Loss

METHODS OF ANALYSIS AND INVESTMENT STRATEGIES: The types of investments we typically recommend are discussed in Item 4 of this brochure.

We typically engage in the following process in designing client portfolios:

Portfolio analysis is performed to facilitate the formulation of asset allocation strategies with the achievement of client investment objectives being the primary concern. Subject to the specific investment objectives of each client, macro-economic conditions and the market environment, Prism generally structures portfolios with either a concentration in equities which are commonly referred to as stock (or stocks) and equity-based investments such as mutual funds; fixed income investments such as bonds or bond mutual funds; or as a combination of equities and fixed-income investments. Subject to individual client objectives, allocation among equities, bonds and cash in each portfolio will change with relation to either relevant advantageous or disadvantageous market and/or economic conditions. While historic data are part of the investment decision-making process for future planning, past performance is neither indicative of nor a guarantee of future results. Due to the dynamically changing nature of the tax laws, it should be noted that although tax implications are considered when making investment selection and trading decisions, such decisions are made with the relevant tax code in existence at the time the decision is made. Future negative ramifications of such decisions based on subsequent changes in the tax laws that are unforeseen are not the responsibility of Prism.

We may use some or all of the following *methods of analysis* in providing investment advice to you:

Fundamental Analysis: In using fundamental analysis, we attempt to determine the intrinsic value of target securities through a review of, among other things, company specific financial disclosures, the strength and track record of management personnel, industry sector financial health, and at a macro level, the overall direction of the economy at large. We use this information as a basis to determine if such securities are underpriced or overpriced relative to current market prices and then to make a buy or sell recommendation to you.

Relying on this type of analysis leaves open the risk that the price of a security may move along with the overall direction of the market, irrespective of the economic and financial factors which may have indicated that an opposite movement would have been expected. The main sources of information we rely upon when researching and analyzing securities using fundamental analysis include research materials prepared by others, annual reports, corporate rating services, prospectuses, and company press releases.

Technical Analysis: We analyze past market movements and apply that analysis to the present in an attempt to recognize recurring patterns of investor behavior and potentially predict future price movement. Technical analysis does not consider the underlying financial condition of a company or security. This presents a risk in that a poorly-managed or financially unsound company may underperform regardless of overall market movement.

Cyclical Analysis: Cyclical analysis is the statistical analysis of specific events occurring at a sufficient number of relatively predictable intervals that they can be forecasted into the

future. Cyclical analysis asserts that cyclical forces drive price movements in the financial markets. Risks of this form of analysis include cycle inversion or disappearance. There is no expectation that this type of analysis will pinpoint turning points, instead it is typically used in conjunction with other methods of analysis.

Asset Allocation: Rather than focusing on selecting the particular securities or other assets to invest for your account, we may attempt to identify an appropriate ratio of various types of investments (for example, stocks, fixed income, and cash) suitable to your investment goals, time horizon, and risk tolerance. A risk of asset allocation is that you may not participate in sharp increases in a particular security, industry, or market sector. Another risk is that the ratio of securities, fixed income, and cash will change over time due to stock and market movements and, if not corrected, will no longer be appropriate to meet with your investment goals.

Mutual Fund, ETF, and REIT Selection and Analysis: We evaluate and select mutual funds, ETFs, and REITs for your account based on several factors which may include, without limitation, (1) the experience and track record of the underlying portfolio manager(s), (2) the historical performance of the fund over time and through various market conditions; (3) expected market conditions that might impact the underlying holdings of the fund or applicable market sector; and (4) whether and to what extent the underlying holdings of the fund overlap with other assets held in your account. We also monitor the fund in an attempt to determine if the fund is continuing to follow its stated investment strategy. A risk of this form of analysis is that, as in all securities investments, past performance does not guarantee future results. A fund manager's past track record of success cannot be relied upon as a predictor of success in the future. In addition, the underlying holdings of the fund are determined by independent fund managers and may change overtime without advance warning, creating the potential for overlap with other investments held in your account. This increase in the correlation of your holdings will increase the risk of loss where the value of any overlapping holdings should decrease. There is also a risk that a fund manager may deviate from the stated investment mandate or strategy of the fund, which could make the holding(s) less suitable for the client's portfolio.

Independent Manager Selection and Analysis: This is the analysis of the experience, investment philosophies, and past performance of Independent Managers in an attempt to determine if the manager has demonstrated an ability to invest over a period of time and in different economic conditions and whether the manager's investment style and strategy is a good fit a client's needs. Key factors we may consider when evaluating Independent Managers are their investment process and philosophy, risk management methods and procedures, historical performance, investment strategy and style, fees and operating expenses, assets under management and number of clients, and tax-efficiencies. Our evaluation also may incorporate both qualitative and quantitative fundamental analysis to validate and confirm an Independent Manager's investment style and skill, as well as to compare them to other managers of similar style. We may utilize various research databases, proprietary models, financial periodicals, prospectuses and filings with the SEC,

industry contacts and manager data, among other items, as part of the research process. Monitoring the Independent Manager's underlying holdings, strategies, concentrations, and leverage as part of our overall periodic risk assessment typically completes the analysis. As part of the due-diligence process, the Independent Manager's compliance and business enterprise risks may be surveyed and reviewed. We may engage and rely upon a third party to assist in this review and due diligence process.

Methods of analysis such as charting, fundamental, technical, or cyclical analysis may be used by the Independent Managers we recommend to clients. Clients should refer to the disclosure brochure of each Independent Manager selected to manage their account for more information.

We typically use the following *investment strategies* in managing client accounts:

Long-term Purchases: We may take a long term “buy and hold” approach to investing client assets. In this type of investment strategy, we suggest the purchase of securities with the idea of holding them in a portfolio for a year or longer. Typically, we employ this strategy when (1) we believe the securities to be currently undervalued, and/or (2) we want the portfolio to have exposure to a particular asset class over time, regardless of the current projection for this class. Within this long-term approach, we may strategically add to or reduce the size of specific holdings within the client's portfolio when a holding has either exceeded or failed to reach our price projections over a period of time, or simply to rebalance the client's portfolio to meet with the asset allocation model we believe to be most appropriate for the client.

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

Short-term Purchases and Trading: We may recommend the purchase of securities with the idea of selling them within a relatively short time (typically a year or less). We do this in an attempt to take advantage of conditions that we believe will soon result in a price swing in the securities we recommend for purchase. We may also suggest the purchase of securities with the idea of selling them in an even shorter time frame (typically within 30 days or less). We do this in an attempt to take advantage of our predictions of brief price swings.

The use of a short-term purchase or trading strategy poses the risk that should the anticipated price swing not materialize, you would be left with the option of having a long-term investment in a security that was designed to be a short-term purchase or potentially taking a loss. In addition, these strategies involve more frequent investment transactions than does a longer-term strategy and may result in increased brokerage and other transaction-related costs, as well as less favorable tax treatment of short-term capital gains.

Options: We may suggest the use of options as an investment strategy. An option is a contract that gives the buyer the right, but not the obligation, to buy or sell an asset (such as a share of stock) at a specific price on or before a certain date. An option, just like a stock or bond, is a security. An option is also a derivative because it derives its value from an underlying asset.

The two types of options are calls and puts:

A call gives the holder the right to buy an asset at a certain price within a specific period of time. We may suggest the purchase of a call option(s) if we have determined that the stock will increase substantially before the option expires.

A put gives the holder the right to sell an asset at a certain price within a specific period of time. We may suggest the purchase of a put option(s) if we have determined that the price of the stock will fall before the option expires.

We may use options to speculate on the possibility of a sharp price swing. We may also suggest the use of options to “hedge” a purchase of the underlying security; in other words, we may suggest an option purchase to limit the potential upside and downside of a security we previously recommended for purchase.

We may use “covered calls,” in which we suggest the sale of an option on a security already within a particular portfolio. In this strategy, the portfolio will receive a fee for making the option available, and the person purchasing the option has the right to buy the security from you at an agreed-upon price.

We may use a “spreading strategy,” in which we recommend purchasing two or more option contracts (for example, a call option for the client to buy and a call option for the client to sell) for the same underlying security. This effectively puts the portfolio on both sides of the market, but with the ability to vary price, time, and other factors.

Short Sales: In some instances, we may recommend short sales of securities. In a short sale, the client borrows securities and sells them with the expectation that the client will be able to re-purchase the same securities at a lower price in the future and return the borrowed securities to the lender. If the price of the security sold short increases, the client’s account would incur a loss, since the securities borrowed must now be re-purchased at a higher cost than they were sold. Conversely, if the price of the borrowed securities declines, the client can purchase new shares to replace those borrowed and the client’s account would realize a gain.

SUMMARY OF INVESTMENT RISKS: We act as your trusted fiduciary when we render investment advice, always using our best judgment and placing your best interests first. Our duty to put our clients’ interests first includes, but is not limited to, a duty of care, loyalty, obedience, and utmost good faith. However, we cannot warrant or guarantee any

particular level of account performance, or that your account will be profitable over time. Not every investment recommendation we make will be profitable. **Investing in securities involves risk of loss that clients should be prepared to bear.** You assume all market risk involved in the investment of your account assets and acknowledge that investments are subject to various market, currency, economic, political, and business risks.

Except as may otherwise be provided by law, we are not liable to you for:

- any loss that you may suffer by reason of any investment recommendation we made with that degree of care, skill, and diligence under the circumstances that a prudent person acting in a fiduciary capacity would use; or
- any independent act or failure to act by a Custodian of your account(s).

Nothing in this brochure should be interpreted to limit or modify our firm's fiduciary duties to its clients or shall be deemed a waiver of any right or remedy that a client may have under federal or state securities laws. Federal and state securities laws impose liabilities under certain circumstances on persons who act in good faith.

INVESTMENT RISKS RELATED TO RECOMMENDED SECURITIES: While all investing involves risks and losses can and will occur, we typically recommend a broad and diversified allocation of mutual funds and other securities intended to reduce the specific risks associated with a concentrated or undiversified portfolio. Nonetheless, you should consider the following high-level summary of investment risks. **This list is not intended to be an exhaustive description of all risks you may encounter in engaging our firm for advisory services. We encourage you to inquire with us frequently about the risks related to any investments in your account.**

Risk of Loss: Securities investments are not guaranteed, and you may lose money on your investments. As with any investment manager that invests in common stocks and other equity securities, our investment recommendations are subject to market risk—the possibility that securities prices will decline over short or extended periods of time. As a result, the value of your account(s) will fluctuate with the market, and you could lose money over short or long periods of time. You should recognize whenever you determine to invest in the securities markets your entire investment is at risk. Clients should not invest money if they are unable to bear the risk of total loss of their investments.

Economic Risk: The prevailing economic environment is important to the health of all businesses. Some companies, however, are more sensitive to changes in the domestic or global economy than others. These types of companies are often referred to as cyclical businesses. Countries in which a large portion of businesses are in cyclical industries are thus also very economically sensitive and carry a higher amount of economic risk. If an investment is issued by a party located in a country that experiences wide swings from an economic standpoint or in situations where certain elements of an investment instrument

are hinged on dealings in such countries, the investment instrument will generally be subject to a higher level of economic risk.

Market Risk: The value of your portfolio may decrease if the value of an individual company or multiple companies in the portfolio decreases or if our belief about a company's intrinsic worth is incorrect. Further, regardless of how well individual companies perform, the value of your portfolio could also decrease if there are deteriorating economic or market conditions. It is important to understand that the value of your investments may fall, sometimes sharply, in response to changes in the market, and you could lose money. Investment risks include price risk as may be observed by a drop in a security's price due to company specific events (*e.g.*, earnings disappointment or downgrade in the rating of a bond) or general market risk (*e.g.*, such as a "bear" market when stock values fall in general). For fixed-income securities, a period of rising interest rates could erode the value of a bond since bond values generally fall as bond yields go up. Past performance is not a guarantee of future returns.

Independent Manager Risk: An Independent Manager's past track record of success cannot be relied upon as a predictor of success in the future. In addition, where an Independent Manager is engaged, the underlying holdings of your account are determined by the Independent Manager directly and may change overtime without advance warning to us, creating the potential for overlap with other investments held in your account. This increase in the correlation of your holdings will increase the risk of loss where the value of any overlapping holdings should decrease. There is also a risk that an Independent Manager may deviate from the stated investment mandate or strategy of the account, which could make the holding(s) less suitable for your portfolio. Our firm does not control any Independent Manager's daily business and compliance operations, and thus our firm may be unaware of any lack of internal controls necessary to prevent business, regulatory or reputational deficiencies.

Options Risk: Transactions in options carry a high degree of risk. Selling ("writing" or "granting") an option generally entails considerably greater risk than purchasing options. Although the premium received by the seller is fixed, the seller may sustain a loss well in excess of that amount. The seller will also be exposed to the risk of the purchaser exercising the option and the seller will be obliged either to settle the option in cash or to acquire or deliver the underlying investment. If the option is "covered" by the seller holding a corresponding position in the underlying investment or a future on another option, the risk may be reduced. If you buy an option, your risk is defined because the most that you can lose is your investment — or the premium you paid for the option — plus commissions.

Short Sale Risk: Short sales involve greater reliance on the firm's ability to accurately anticipate the future value of an instrument, potentially higher transaction and other costs, and the potential for unlimited loss since there is theoretically no limit to the increase in the value of the securities sold short. An account holding both long and short positions

could have long positions decline in value at the same time that the value of short positions increases, thereby increasing the account's overall potential for loss to a greater extent than would occur without the use of shorting.

Short positions also involve the risk that the third party to the short sale fails to honor its contract terms and the risk of margin calls. Typically, most broker-dealers which will lend shares to clients require that they client maintain a margin account with a minimum equity requirement ranging between 30% - 35% of the value of any borrowed shares sold short. If the value of the collateral in your margin account drops below the minimum equity requirement, your broker-dealer may require you to deposit more cash or securities to your margin account to cover the shortfall immediately.

Risks Related to Analysis Methods: Our analysis of securities relies in part on the assumption that the issuers whose securities we recommend for purchase and sale, the rating agencies that review these securities, and other publicly-available sources of information about these securities, are providing accurate and unbiased data. While we are alert to indications that data may be incorrect, there is always a risk that our analysis may be compromised by inaccurate or misleading information.

Securities Transactions at the Direction of Clients: Clients may maintain the concurrent ability to direct transactions within their accounts. Our firm is not responsible for the consequences of the client's self-directed (*i.e.*, non-advised) transactions. While our advisory fees will not be applied to any assets acquired as a result such self-directed transactions, as your fiduciary, we will take all client assets known to us into account when making investment recommendations to you.

Interim Changes in Client Risk Tolerance and Financial Outlook: The particular investments recommended by our firm are based solely upon the investment objectives and financial circumstances disclosed to us by the client. While we strive to meet with clients at regular intervals (at least annually, unless otherwise agreed) to discuss any changes in the client's financial circumstances, the lack of constant and continuous communication presents a risk insofar as your liquidity, net worth, income, risk tolerance, and/or investment goals could change abruptly, with no advance notice to our firm, resulting in a mis-aligned investment portfolio and the potential for losses or other negative financial consequences.

While we will make reasonable efforts to update your suitability information and investment profile at least annually, we strongly encourage you to give us complete information and to promptly notify us of any changes in your financial circumstances, income level, investment goals or employment status. We encourage you to contact us regularly to discuss any such changes.

Item 9 – Disciplinary Information

Prism is required to disclose all material facts regarding certain legal or disciplinary events that would be material to your evaluation of our firm, or the integrity of our management. No principal or associated person of our firm has any information to disclose which is applicable to this Item 9.

Item 10 – Other Financial Industry Activities and Affiliations

BROKER-DEALER REGISTRATION: Neither Prism, nor any of its associated persons, are registered or intend to become registered as a broker-dealer or registered representative of a broker-dealer. Registration as a broker-dealer or investment advisor or as an associated person of any of the foregoing does not imply a certain level of skill or training.

FUTURES OR COMMODITIES REGISTRATION: Neither Prism, nor any of its associated persons, are registered or intend to become registered as a futures commission merchant, commodity pool operator, commodity trading advisor, or an associated person of any of the foregoing. Registration as a futures commission merchant or investment advisor or as an associated person of any of the foregoing does not imply a certain level of skill or training.

MATERIAL RELATIONSHIPS: Prism does not have any relationships, activities, affiliations, or arrangements that create a material conflict of interest with its clients.

RECOMMENDATION OF THIRD PARTIES: Except for certain benefits we receive from the recommended broker-dealers we recommend to clients (as outlined in Item 12 of this firm brochure), we do not receive any additional compensation or benefits, either directly or indirectly, in connection with referrals of our clients to any brokers, Custodians, attorneys, tax advisors, accountants, or any other third-parties. We will only recommend and refer such third-parties to you when we believe it to be in your best interest.

Item 11 – Code of Ethics

OUR CODE OF ETHICS AND PERSONAL TRADING POLICIES: Prism has adopted a Code of Ethics (“Code”) for all supervised persons of the firm describing its high standard of business conduct, and fiduciary duty to its clients. The Code 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 at Prism must acknowledge the terms of the Code annually, or as amended. A copy of our Code will be made available to you, free of charge, upon request by contacting us at the phone number listed on the cover page of this firm brochure.

Our firm and individuals associated with our firm do not have any proprietary or material interests in or any role in the management of any companies or investments that we recommend to our clients. We will alert you if this should ever change.

Prism anticipates that, in appropriate circumstances, consistent with clients' investment objectives, it will cause accounts over which Prism has management authority to effect, and will recommend to investment advisory clients or prospective clients, the purchase or sale of securities in which Prism, its affiliates and/or clients, directly or indirectly, have a position of interest. Prism's employees and persons associated with Prism are required to follow Prism's Code. Subject to satisfying this policy and applicable laws, officers, directors and employees of Prism and its affiliates may trade for their own accounts in securities which are recommended to and/or purchased for Prism's clients. The Code is designed to assure that the personal securities transactions, activities and interests of the employees of Prism will not interfere with (i) making decisions in the best interest of advisory clients and (ii) implementing such decisions while, at the same time, allowing employees to invest for their own accounts. Under the Code, certain classes of securities have been designated as exempt transactions, based upon a determination that these would materially not interfere with the best interest of Prism's clients. In addition, the Code requires pre-clearance of certain transactions, and restricts trading in close proximity to client trading activity. Nonetheless, because the Code in some circumstances would permit employees to invest in the same securities as clients, there is a possibility that employees might benefit from market activity by a client in a security held by an employee. Employee trading is monitored under the Code of Ethics to reasonably prevent conflicts of interest between Prism and its clients.

NO PRINCIPAL OR AGENCY CROSS TRANSACTIONS: It is Prism's policy that the firm will not affect any principal or agency cross securities transactions for client accounts. Prism will also not cross trades between client accounts. Principal transactions are generally defined as transactions where an advisor, acting as principal for its own account or the account of an affiliated broker-dealer, buys from or sells any security to any advisory client. An agency cross transaction is defined as a transaction where a person acts as an investment advisor in relation to a transaction in which the investment adviser, or any person controlled by or under common control with the investment advisor, acts as broker for both the advisory client and for another person on the other side of the transaction. Agency cross transactions may arise where an advisor is dually registered as a broker-dealer or has an affiliated broker-dealer.

Item 12 – Brokerage Practices

RECOMMENDATION OF BROKER-DEALERS AND CUSTODIANS: Clients maintain the discretion to select the broker-dealers and Custodian(s) to be used for custody of their assets and for the execution of transactions within their account(s). Clients engage their desired broker-dealer(s) and Custodian(s) by executing the appropriate account opening

documentation of such firms, and in doing so, authorize our firm to direct the execution of transactions for the client's account through such firm(s).

As described above in Item 4, we typically recommend, but do not require, that clients engage the custodial and trade execution services of specific Custodians. While we typically recommend Schwab to new clients, certain legacy client relationships continue to utilize the custodial and trade execution services of Axos (Axos and Schwab, collectively, the "Recommended Custodians" and each, an independent SEC-registered broker-dealer and Member FINRA/SIPC). Conflicts of interest associated with our recommendation of any Recommended Custodians are described below as well as in Item 14 of this brochure. You should consider these conflicts of interest when selecting your Custodian.

We are not affiliated with the Recommended Custodians and they do not monitor or control the activities of our firm or its personnel. The Recommended Custodians will act solely as a Custodian and/or broker-dealer and not as your investment advisor. They will hold your assets in a brokerage account or accounts and buy and sell securities and execute other transactions when instructed to do so by you or Prism. We do not have the discretion to determine the commission rates at which transactions are to be affected for your account and we may recommend that clients engage different Custodians and executing brokers in the future.

BEST EXECUTION: In recommending broker-dealers, we have an obligation to seek the "best execution" of transactions for client accounts. This duty requires us to seek to execute securities transactions for clients such that the total costs or proceeds in each transaction are the most favorable under the circumstances. The determinative factor in the analysis of best execution is not the lowest possible commission cost, but whether the transaction represents the best qualitative execution, taking into consideration the full range of the recommended broker-dealer's services. Some of the factors we may consider when evaluating a broker-dealer for best execution include, without limitation, the broker-dealer's execution and custodial capabilities, commission rates, financial responsibility, responsiveness and customer service, research services/ancillary brokerage services provided, and other factors that we consider relevant.

Therefore, we will seek competitive commission rates, but we may not obtain the lowest possible commission rates for specific account transactions. With this in consideration, we will continue to recommend that portfolio management clients engage the Recommended Custodians until their services do not result, in our opinion, in best execution of client transactions.

DIRECTED BROKERAGE: If the client selects a Custodian other than one of our Recommended Custodians for custody and execution of transactions (*i.e.*, client directed brokerage), you are advised that we may be unable to seek best execution of your transactions and your commission costs may be higher than those experienced by clients who elect to utilize our recommended Custodian. For example, in a directed brokerage

account, you may pay higher brokerage commissions and/or receive less favorable prices on the underlying securities purchased or sold for your account because we may not be able to aggregate your order with the orders of other clients. In addition, where you direct brokerage, we may place orders for your transactions after we place transactions for clients using our Recommended Custodians. We reserve the right to reject your request to use a particular Custodian other than a Recommended Custodian if such selection would frustrate our management of your account, or for any other reason.

SOFT DOLLARS: Our Recommended Custodians may provide us with certain brokerage and research products and services that qualify as “brokerage or research services” under Section 28(e) of the Securities Exchange Act of 1934 (“Exchange Act”). This is commonly referred to as a “*soft dollar*” arrangement. These research products and/or services will assist us in our investment decision making process. Such research generally will be used to service all of our client accounts, but brokerage charges paid by the client may be used to pay for research that is not used in managing that specific client’s account. Your account may pay to a broker-dealer a charge greater than another qualified broker-dealer might charge to affect the same transaction where we determine in good faith that the charge is reasonable in relation to the value of the brokerage and research services received.

OTHER BENEFITS RECEIVED FROM RECOMMENDED CUSTODIANS: There may be other benefits we receive from our Recommended Custodians specific to our recommendation that our clients engage their services, such as software and other technology that (i) provides us with access to client account data (such as trade confirmations and account statements); (ii) facilitates execution of client trades and trade aggregation; (iii) provides us with research, pricing, and other market data; (iv) facilitates payment of fees from client accounts; and (v) assists us with back-office functions, recordkeeping, and client reporting. Other services may include, but are not limited to, performance reporting, contact management systems, third party research, publications, access to educational conferences, roundtables and webinars, practice management resources, and access to consultants and other third party service providers who provide a wide array of business related services and technology with whom we may contract directly. Other brokers or Custodians may provide us with similar benefits in the future in exchange for recommending their services to our advisory clients.

We do not pay a fee for these products and services and all client accounts may not be the direct or exclusive beneficiary of such products and services. It is further important to note that our receipt of such products and services creates an incentive for Prism to continue to recommend that clients engage the Recommended Custodians based upon our desire to continue to receive these products and services, rather than receiving best execution or purely the lowest price for client transactions. We mitigate this conflict of interest by periodically monitoring and reviewing the services provided to our clients by the Recommended Custodians for best execution.

Except as described above in this Item 12, we do not receive any compensation or incentive for recommending that you engage any Custodian or broker-dealer for trade execution or custodial services. We do not receive client referrals in exchange for directing client transactions to any Custodian or broker-dealer.

TRADE AGGREGATION: We may aggregate client orders, so long as it is done for purposes of achieving best execution, and so long as no client is systematically advantaged or disadvantaged. Before aggregating client orders, we document the participating accounts and the allocation instructions. We submit allocation instructions to the broker-dealer before the market closes on the day of the order. We allocate aggregated orders to client accounts at the average price obtained. We allocate partially filled orders pro-rata based on the size of the order placed by each account. If we judge that we cannot or should not allocate a partially filled order pro-rata (*e.g.*, if the quantity of securities obtained is too small or would not have a material impact if distributed among each account), then we apply the following procedures:

- we allocate the order to client accounts only (*i.e.*, no employees that participated in the order may receive any allocation); and
- we document our allocation decision.

Item 13 – Review of Accounts

ACCOUNT REVIEW POLICY: Client accounts are generally reviewed by Dieter Drews, J.D., founder and Chief Executive Officer of Prism, to ensure that the portfolio continues to meet the needs of the client. In other cases, client accounts may be reviewed by the investment advisor representative(s) who are primarily responsible for managing the client's assets. The specific individuals conducting account reviews may vary from time to time, as personnel join or leave our firm. The frequency of reviews is determined based on each client's investment objectives and needs. Accounts are generally reviewed quarterly, but in any event, no less than annually.

MORE FREQUENT REVIEWS: Significant changes in macro-economic conditions, the securities market and/or client circumstances may result in more frequent reviews of client accounts. It is the client's responsibility to notify Prism of any changes of circumstances related to the client's investment objectives and/or needs.

REPORTING: Clients will receive standard account statements and trade confirmations from their Custodian at least quarterly. We will provide you with independently prepared written reports as you may reasonably request from time to time. The reports we provide to you will contain relevant account and/or market-related information such as an inventory of account holdings and account performance, as examples.

Item 14 – Client Referrals and Other Compensation

As referenced in Item 12 above, the Recommended Brokers provide services and products to us without cost or at a discount that we may use to service some or all of our client accounts. We may enter into similar arrangements with other broker-dealers and Custodians in the future. As part of its fiduciary duties to clients, Prism endeavors at all times to put the interests of its clients first. Clients should be aware, however, that the receipt of economic benefits by our firm and/or our associated persons in and of itself creates a potential conflict of interest and may indirectly influence our choice to recommend the Recommended Brokers to our clients for trade execution and custodial services.

Except as indicated above, we have no other arrangements, written or oral, in which we compensate others or are compensated for client referrals.

Item 15 – Custody

Your funds and securities will be held in an account titled in your name and maintained at an independent qualified Custodian. The Custodian will be authorized to execute trades within your account upon our instructions, acting within the scope of the trading authority you grant us in our written advisory agreement and/or the Custodian's account opening documentation. Except for our ability to directly deduct our advisory fees, we will not hold, directly or indirectly, any client funds or securities, or have any authority to obtain possession of them.

We urge you to carefully review and compare the account statements provided by your Custodian with any invoices or other account related information we provide to you. Reports we provide to you may vary from the information reflected in custodial statements based on accounting procedures, reporting dates, and/or valuation methodologies of certain securities.

We shall have no liability to you for any loss or other harm to any property in the account, including any harm to any property in the account resulting from the insolvency of the Custodian (including Schwab) or any independent acts or omissions of the agents or employees of the Custodian and whether or not the full amount of such loss is covered by the SIPC or any other insurance which may be carried by the Custodian. Clients understand that SIPC provides only limited protection for the loss of property held by the Custodian.

Item 16 – Investment Discretion

When engaging our services, you will typically be required to grant our firm ongoing and continuous *discretionary* authority to execute our investment recommendations within your account(s) held at the Custodian *without* obtaining your prior approval for each

specific transaction. In a discretionary arrangement, you authorize us to purchase and sell securities and instruments in your account(s), arrange for delivery and payment in connection with the foregoing, and act on your behalf in all matters necessary or incidental to the handling of the account, including monitoring of your assets and the engagement and termination of Independent Managers. This authorization is contained in the written advisory agreement you will enter with our firm at the inception of our relationship. We will always exercise our discretionary authority over your account in strict accordance with your unique investment profile, suitability, needs, objectives, and restrictions. Any investment guidelines and restrictions on this authority must be provided to us in writing.

Item 17 – Voting Client Securities

Prism does not have any authority to and does not vote proxies on behalf of advisory clients. Clients retain the responsibility for receiving and voting proxies for any and all securities maintained in client portfolios. Prism may provide advice to clients regarding the clients' voting of proxies, however, the client is ultimately responsible to determine how to vote and to vote the proxy.

Item 18 – Financial Information

As an advisory firm that maintains discretionary authority for client accounts, Prism is required to disclose any financial condition that is reasonably likely to impair its ability to meet its contractual obligations. We have no such financial circumstances to report.

We do not require or solicit payment of fees in excess of \$500 per client six (6) months or more in advance of services being rendered. Therefore, we are not required to include a financial statement with his firm brochure.

Prism has not been the subject of a bankruptcy petition at any time.

Item 19 – Requirements for State-Registered Advisors

BUSINESS AND EDUCATIONAL BACKGROUND OF FIRM PRINCIPALS: Dieter Drews, J.D., born 1969, is Prism's sole principal and serves as the firm's Chief Executive Officer. His formal educational and business background is as follows:

EDUCATION

1991; University of Chicago, Chicago, Illinois; Bachelor of Arts

1997; Syracuse University College of Law, Syracuse, New York; Juris Doctor

EXPERIENCE

1997 – 2000; Prudential Securities, Syracuse, NY

2000 – 2005; Charles Schwab & Co., Seattle, WA

PRISM CAPITAL MANAGEMENT, LLC
Form ADV Part 2A – Firm Brochure

2005 – Present; Prism Capital Management, LLC, Seattle, WA

Additional information regarding Mr. Drews is available in his Form ADV Part 2B brochure supplement and online at www.adviserinfo.sec.gov. Please contact us at the telephone number reflected on the cover page of this firm brochure if you did not receive a copy of Mr. Drews' Form ADV Part 2B brochure supplement. A copy will be provided to you free of charge.

OTHER BUSINESS ACTIVITIES: Prism's sole business is investment advisory services as described in this firm brochure. Prism is not actively engaged in any other business.

Mr. Drews is an owner of Glacier Holdings LLC, a manufacturer and seller of sporting goods to qualified private entities, public entities, individuals, and law enforcement agencies. He devotes approximately 8 hours per month to this activity outside of trading hours. This outside business activity does not create any conflicts of interest with clients.

NO PERFORMANCE-BASED FEES: Prism does not receive any performance-based fees from its clients.

NO DISCIPLINARY DISCLOSURES: We are required to disclose all material facts regarding any legal or disciplinary events that would be material to your evaluation of our firm or the integrity of our management. We have no information to report under this item.

NO ARRANGEMENTS WITH ISSUERS OF SECURITIES: Neither Prism, nor its management personnel, have any relationships or arrangements with any issuers of securities.

Item 1 Cover Page

Dieter U. Drews J.D.

Prism Capital Management, LLC
415 Pine Street
Mount Vernon, Washington 98273
Phone: 360-419-6063
Web: www.prismadvisor.com
E-mail: info@prismadvisor.com

February 27, 2023

This Form ADV Part 2B “brochure supplement” provides information about Dieter U. Drews, J.D. that supplements Prism Capital Management, LLC’s (“Prism”) Form ADV Part 2A brochure. You should have received a copy of our brochure. Please contact us at 360-419-6063 or by e-mail to info@prismadvisor.com if you did not receive a copy of our brochure or if you have any questions about the contents of this brochure supplement.

Additional information about Dieter U. Drews, J.D. is available on the SEC’s website at www.adviserinfo.sec.gov. The searchable IARD/CRD number for Mr. Drews is 3225773.

Item 2 Educational Background and Business Experience

Dieter U. Drews J.D., Year of birth: 1969

EDUCATION

1991; University of Chicago, Chicago, Illinois; Bachelor of Arts

1997; Syracuse University College of Law, Syracuse, New York; Juris Doctor

EXPERIENCE

1997 – 2000; Prudential Securities, Syracuse, NY

2000 – 2005; Charles Schwab & Co., Seattle, WA

2005 – Present; Principal and CEO, Prism Capital Management, LLC, Seattle, WA

Item 3 Disciplinary Information

We are required to disclose all material facts regarding any legal or disciplinary events that would be material to your evaluation of our firm or the integrity of our management. We have no information to report under this item.

Item 4 Other Business Activities

Mr. Drews is an owner of Glacier Holdings LLC, a manufacturer and seller of sporting goods to qualified private entities, public entities, individuals, and law enforcement agencies. He devotes approximately 8 hours per month to this activity outside of trading hours. This outside business activity does not create any conflicts of interest with clients.

Item 5 Additional Compensation

Mr. Drews has no additional compensation to disclose pursuant to this Item.

Item 6 Supervision

Mr. Drews has oversight responsibility for all services and advice provided to clients of Prism Capital Management, LLC. Mr. Drews is also responsible for the overall compliance policies and procedures of the firm.

Item 7 Requirements for State Registered Advisors

Mr. Drews has never been subject to an award or otherwise been found liable in an arbitration claim alleging damages in excess of \$2,500, or in a civil, self-regulatory organization or administrative proceeding in 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. Mr. Drews has never been the subject of a bankruptcy petition.