
FUTURE TECHNOLOGIES

EXECUTIVE SUMMARY

INVESTMENT OBJECTIVE



We strive to provide a high rate of capital appreciation using primarily equity investments in emerging technologies.

HOW WE DO IT

We invest primarily in stocks, mutual funds or ETFs, and a money market fund. The proprietary HCM Safety Net suite of indicators is used to warn of potential stock market declines in which case exposure may be quickly reduced or hedged using inverse funds.

CLIENT PROTECTION AND INVESTMENT DISCRETION

Our primary custodian is Trust Company of America. All accounts are held at a Qualified Custodian, providing third-party protection for all accounts. Hepburn Capital does not hold client moneys. Accounts are managed on a discretionary basis with notification of account activity provided in monthly or quarterly statements prepared by an independent custodian.

SUITABILITY

Investment in Future Technologies will occasionally use stocks of smaller companies with minimal earnings history and low prices. Because this type of company may involve higher volatility, larger bid/ask spreads and greater risk than investing in other market segments this should not be your only investment strategy. If you want to pursue a high rate of capital appreciation having a small percentage of the Future Technologies strategy in your portfolio may be appropriate for you.

FUTURE TECHNOLOGIES PORTFOLIO

MINIMUMS

The Future Technologies strategy is designed for use in portfolios of \$100,000 or greater. The minimum fee is \$195 per month.

ADDITIONAL DETAILS

PERFORMANCE OBJECTIVE

The performance objective of the FUTURE TECHNOLOGIES STRATEGY is to achieve (after deduction of HCM's maximum fees and all trading costs) a high level of capital appreciation while experiencing less risk than the S&P 500 Index as measured by peak-to-trough draw-downs during bear markets. There can be no assurance that the objectives of this strategy will be met.



INCEPTION DATE

The Future Technologies strategy was first offered at HCM in August 2014.

CONCEPT

FUTURE TECHNOLOGIES gets its name from its search for leading companies in emerging technologies such as nanotech, biotech and stem cell research, robotics, 3D printing, OLEDs, The Internet of Things and more. Investment is governed by Hepburn Capital's Safety Net suite of indicators which adjusts exposure to the ups and downs of the stock markets.

The primary investment vehicle will be stocks, mutual funds and ETF and cash.

At times this portfolio may use inverse investments designed to go up as a segment of the market goes down, or at times of great market uncertainty, retreat entirely to the relative safety of a money market fund. This ability to get client money "out of harm's way", occasionally on short notice, is what makes HCM different from ordinary advisers.

Future Technologies portfolios may invest in both long and short positions, and thus may lose or make money regardless of market direction. Leverage may be used which can increase potential profits and losses. Our objective in using this type of fund is primarily to offset market risk in other holdings, stabilizing the portfolio value during times of market turmoil. Inverse and Leveraged funds normally

FUTURE TECHNOLOGIES PORTFOLIO

make up a small portion of portfolio holdings in this strategy but at times may be large enough create a net short position for the portfolio.

Future Technologies portfolios may experience risks including Market Risk as equity markets fluctuate, Foreign Risk to the extent we invest in foreign securities, Portfolio Turnover Risk, Small and Medium-Size Company Risk, Issuer Specific Risk related to individual securities, Management Risk and Short Selling or Inverse Mutual Fund and ETF Risk, including Derivatives and Leveraged Fund Risk to the extent we use those types of funds.

THE EDGE PROVIDED TO INVESTORS

THE FUTURE TECHNOLOGIES STRATEGY offers potentially high gains, yet adapts to changing markets with a sophisticated and dynamic diversification plan designed to avoid being caught in a prolonged market decline.

At Hepburn Capital we believe that investment success comes from having more money in investments that are going up and less in investments that are going down. Our **FUTURE TECHNOLOGIES STRATEGY** is one way of we do this. HCM's systems of *Adapting to Changing Markets*[®] by overweighting the better performing investments and retreating to cash or hedging during market declines is designed to provide account growth with only modest exposure to risk.

TAX CONSIDERATIONS

Gains from this strategy, if any, are expected to be taxable as a mix of long term and short term capital gains. This strategy may be implemented in taxable accounts, but it is especially well suited to an IRA or other retirement plan accounts.

OTHER CONSIDERATIONS

Implementation of the *Future Technologies strategy* may involve the use of mutual funds including exchange traded funds. Mutual funds are not insured by the FDIC or any other agency, are not guaranteed by any financial institution, are not obligations of any financial institution, and involve investment risk, including possible loss of principal. Investment returns and principal will fluctuate so that your shares, when redeemed, may be worth more or less than their purchase price. Please read our disclosure Brochure, SEC form ADV, Part 2A, before investing. The Brochure is available on our website, <https://www.hepburncapital.com/form-adv.html>

Despite our efforts to understand the key financial and economic relationships relating to this objective, our knowledge about many of them is incomplete. No claim is made that the strategy will perform in the future as it has in the past or as described above. Also, there can be no assurances that the strategy will produce a profit in the future; it is possible that the strategy will produce losses.

FUTURE TECHNOLOGIES PORTFOLIO

Future Technologies is an investment advisory service offered by Hepburn Capital Management, LLC, a Registered Investment Advisor. Adapting to Changing Markets® is a registered service mark of Will Hepburn.

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