

2nd Market Capital Advisory Corporation

Disclosure Brochure

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Madison, WI 53717
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March 2017

This Brochure provides information about the qualifications and business practices of 2nd Market Capital Advisory Corporation, (the “Advisor”). If you have any questions about the contents of this Brochure, please contact us at 608-833-7793 or rsherman@2ndmarketcapital.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 2nd Market Capital Advisory Corporation also is available on the SEC’s website at www.adviserinfo.sec.gov.

Material Changes

The summary of material changes identifies, and briefly discusses, the material changes to 2nd Market Capital Advisory Corporation's Form ADV Disclosure Brochure since its last amendment in March 2016. To see all changes since the last annual update, please review the entire disclosure brochure.

Advisory Business

Updated to include our informational subscription service (2CHYP)

Performance-Based Fees

Updated to more accurately describe how we calculate performance fees.

Fees and Compensation

Updated to include fee schedule for our informational subscription service (2CHYP)

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ADVISORY BUSINESS

Our Firm

2nd Market Capital Advisory Corporation ("the advisor") was formed in 1991 and is an investment advisor registered with the State of Wisconsin and other states in which its activities require it to be registered. Ross Bowler is the sole shareholder of 2nd Market Capital Advisory Corporation.

Investment Advisory Services

We provide investment advisory services for general securities with a specific focus on real estate equities.

2nd Market Capital Advisory may provide sub-advisory services to other registered investment advisors.

2nd Market Capital Advisory offers an informational subscription service to non-institutional investors providing access to the trading and analytic information of our portfolio emulation account (2CHYP).

Additionally, 2nd Market Capital Advisory also serves as Investment Advisor to the following pooled investment vehicles or hedge-funds: *Corsaires Dividend Growth, LLC, Corsaires Total Return, LLC, Corsaires Real Estate Dividend, LLC, Corsaires Horizon 2012, LLC, Bande de Corsaires High Yield Portfolio, LLC and Corsaires Grand Moisson, LLC*. A complete description of each fund is provided in each fund's Confidential Private Placement Memorandum. This is not an offering nor the solicitation of an offer to purchase an interest in any fund. *Corsaires Dividend Growth, LLC, Corsaires Total Return, LLC, Corsaires Real Estate Dividend, LLC, Corsaires Horizon 2012, LLC, Corsaires Grand Moisson, LLC, and Bande de Corsaires High Yield Portfolio, LLC* are closed to new investors.

Our Assets under Management

As of December 31, 2016, 2nd Market Capital Advisory managed approximately \$97,837,000 in assets on a discretionary basis. We generally do not manage accounts on a non-discretionary basis.

FEES AND COMPENSATION

The specific manner in which fees are charged by 2nd Market Capital Advisory Corporation is established in a client's written agreement with us. The basic fee

schedule, which is negotiable, includes: a management fee ranging from 1% to 2% per annum of the account value, payable quarterly in arrears; and for clients meeting certain tests concerning net worth and/or assets under management, a percentage (typically 10% to 20%) of the current Adjusted Portfolio Value less the Net Portfolio Value at the preceding anniversary, calculated and paid annually in arrears on the account anniversary.

We will obtain written authorization from the client to deduct advisory fees from the client's account held with a qualified custodian. Each time a fee is directly deducted from a client's account, we will send the qualified custodian notice of the amount of the fee to be deducted from the client's account and will concurrently send the client an invoice itemizing the fee. Itemization will include the formula used to calculate the fee, the amount of assets under management the fee is based on and the time period covered by the fee. An account may be terminated within five business days of opening without penalty. After five business days, an account may be terminated without penalty, however any asset management fees (or pro-rata thereof) will be paid to us.

Our fees are exclusive of brokerage commissions, transaction fees, and other related costs and expenses which shall be incurred by the client. Clients may incur certain charges imposed by custodians, brokers, such as fees charged for custodial fees, wire transfer and electronic fund fees, and other fees and taxes on brokerage accounts and securities transactions. Such charges, fees and commissions are exclusive of and in addition to our fee, and we do not receive any portion of these commissions, fees, and costs.

Please refer to "Brokerage Practices" for further description of the factors that we consider in selecting or recommending broker-dealers for client transactions and determining the reasonableness of their compensation (e.g., commissions).

In addition to the advisory fees noted above, 2nd Market Capital Advisory may provide sub-advisory services to other registered investment advisors for a negotiated fee, typically 90 basis points annually, calculated and paid quarterly based on the account balance as of the close of business on the last day of the quarter.

2nd Market Capital Advisory's informational subscription service (2CHYP) is offered to non-institutional investors for a fee of \$450-\$480 annually.

PERFORMANCE-BASED FEES AND SIDE-BY-SIDE MANAGEMENT

In some cases, we may enter into performance fee arrangements with certain "qualified clients" (as defined by Rule 205-3(d) under the Investment Advisers Act of 1940) that

may provide compensation on the basis of a percentage of the current Adjusted Portfolio Value less the Net Portfolio Value at the preceding anniversary of the qualified client's account. Additionally, we may receive an annual performance fee for *Corsaires Dividend Growth, LLC*.

Performance-based fees may create an incentive to take greater investment risks than would be the case absent the performance-based fees. If we were to manage both accounts that are charged a performance-based fee and accounts that are charged a management fee as described above in the section, "Fees and Compensation," we would have an incentive to favor accounts for which we receive a performance-based fee.

TYPES OF CLIENTS

We may provide investment advisory services to a variety of clients, including individuals, pension and profit-sharing plans, pooled investment vehicles or hedge funds, trust programs, corporations and other entities.

Our minimum account size is typically \$100,000.

METHODS OF ANALYSIS, INVESTMENT STRATEGIES AND RISK OF LOSS

Investing in securities involves risk of loss that clients should be prepared to bear.

We invest primarily in the common and preferred shares of Real Estate Investment Trusts (REITs). In addition to the general risks of investing in the stock markets, REITs are affected by the real and perceived conditions in the commercial real estate and credit markets.

Our investment strategies are oriented toward value and growth of dividend income. We employ standard techniques of fundamental analysis in an effort to determine an issue's intrinsic value and this information is weighed, continuously, to compare and contrast against the issue's market pricing and the market pricing of its sector peers. Additional, ongoing consideration is given to evolving economic trends, the broader investment climate, and the relative return potentials of other investments. To mitigate risks, this process is continuous in the determination of whether to buy, hold, sell or pass on any given issue, sector or whole market.

Subject to applicable margin and other limitations, our clients and pooled investment vehicles may borrow funds in order to make additional investments and thereby increase both the possibility of gain and risk of loss. Consequently, the effect of fluctuations in the market value of an underlying investment vehicle or a client's portfolio would be amplified.

DISCIPLINARY INFORMATION

There are no legal or disciplinary events that we believe are material to a client's evaluation of our business or the integrity of our management.

OTHER FINANCIAL INDUSTRY ACTIVITIES AND AFFILIATIONS

We are not actively engaged in any business or other financial industry activities or affiliations other than investment advisory services.

CODE OF ETHICS

We have adopted a Code of Ethics for all of our supervised persons describing our high standard of business conduct, and fiduciary duty to our clients. The Code of Ethics includes provisions relating to the confidentiality of client information, a prohibition on insider trading, and personal securities trading procedures, among other things. All of our employees must acknowledge the terms of the Code of Ethics annually, or as amended. We will provide a copy of our Code of Ethics upon request.

We routinely own and trade the same securities recommended to client accounts. This circumstance is communicated to clients on an ongoing basis. As fiduciaries, we prioritize our clients' interests above those of our personnel to avoid conflict and adverse selection in trading these commonly held interests.

We do not affect any principal or agency cross securities transactions for client accounts. We do not cross trades between client accounts.

BROKERAGE PRACTICES

We will consider the full range and quality of a broker's services including, among other things, execution capabilities, commission rate, financial responsibility and administrative resources, and responsiveness to obtain the best qualitative execution for the client.

We will seek to negotiate the lowest possible commission rate for client trades, but the most important factor will be obtaining the most favorable net price for the client under the circumstances.

We do not receive any soft dollar benefits in connection with client securities transactions.

Trades are aggregated when it's expedient and when the security in question has sufficient trading volume and market depth so as to be unaffected by the size of our order. In the absence of sufficient trading volume or market depth we do not aggregate trades and instead enter orders individually in an effort to effect best execution. There is no demonstrable difference in cost to the client between the two methods.

REVIEW OF ACCOUNTS

Mr. Bowler reviews our client accounts at least annually. The review covers all activity occurring in a given account over the preceding year, as well as any positions currently held in the account, and will include account performance data, fees earned by us and our current strategy and outlook. All portfolios are monitored and reviewed continuously rather than periodically.

Clients will be sent reports not less frequently than quarterly summarizing all activity in the account during the reporting period and indicating any positions held in the account. At least quarterly, clients will be notified in writing to contact us if there are any changes to their financial situation or investment objectives.

We provide investment advisory services for various limited liability companies subject to audit annually and intend to annually distribute audited financial statements prepared in accordance with generally accepted accounting principles to all members within 120 days of the end of our fiscal year.

CLIENT REFERRALS AND OTHER COMPENSATION

We do not have any arrangements, oral or in writing whereby we are paid cash or receive any economic benefit from a non-client in connection with giving advice or other advisory benefits to clients.

There may be occasions when we pay a percentage of the fee we receive from accounts that have been referred to us to the person making the referral (a "solicitor"). Such payments will be derived from a portion of our compensation and will be in written form and fully disclosed to the client.

CUSTODY

Clients will receive monthly statements from the qualified custodian that holds and maintains their investment assets. Clients are urged to carefully review and compare the account statements they receive from their qualified custodians with the account statements we normally provide.

INVESTMENT DISCRETION

We have discretionary authority regarding the securities that are to be bought and sold as well as the quantities of such securities and prices of such securities, for most clients. Such authority is provided in our agreement with each client. In all cases, however, such discretion is to be exercised in a manner consistent with the stated investment objectives for the particular client account.

Investment guidelines and restrictions must be provided to us in writing.

VOTING CLIENT SECURITIES

As a matter of firm policy and practice, we do 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. We may provide advice to clients regarding the clients' voting of proxies.

FINANCIAL INFORMATION

We have no financial commitment that impairs our ability to meet contractual and fiduciary commitments to clients, and have not been the subject of a bankruptcy proceeding.

REQUIREMENTS FOR STATE –REGISTERED ADVISORS

Principal Executive Officer

Ross Bowler is the sole shareholder and president of 2nd Market Capital Advisory Corporation. Mr. Bowler, born 1959, received his B.S. from the University of Wisconsin in 1982. From 1984 through 2003, Mr. Bowler was licensed as a Registered Securities Principal and worked as a stockbroker for various investment firms. He is not currently affiliated with a Broker/Dealer. In 1991 he formed the investment advisor through which he provides a variety of financial services, including securities analysis, trading and portfolio management. Mr. Bowler does not currently hold any securities licenses.

Other Business Activities

Ross Bowler is the sole shareholder and president of 2nd Market Capital Services Corporation, formed in 1989 to provide administrative services in connection with secondary market trades and transfer activities of banks, brokerage companies and certain individual investors. 2nd Market Capital Services Corporation is the Manager of Corsaires Dividend Growth, LLC, Corsaires Total Return, LLC, Corsaires Real Estate Dividend, LLC, Corsaires Horizon 2012, LLC, Corsaires Grand Moisson, LLC, and Bande de Corsaires High Yield Portfolio, LLC and is responsible for the day to day administrative management of the companies.

Performance-based fees

In some cases, we may enter into performance fee arrangements with certain "qualified clients" (as defined by Rule 205-3(d) under the Investment Advisers Act of 1940) that may provide compensation on the basis of a percentage of the current Adjusted Portfolio Value less the Net Portfolio Value at the preceding anniversary of the qualified client's account. Additionally, we may receive an annual performance fee for *Corsaires Dividend Growth, LLC*. Performance-based fees may create an incentive to take greater investment risks than would be the case absent the performance-based fees.

If we were to manage both accounts that are charged a performance-based fee and accounts that are charged a management fee as described above in the section, "Fees and Compensation," we would have an incentive to favor accounts for which we receive a performance-based fee.

ADDITIONAL INFORMATION

Privacy Notice

We believe that protecting the privacy of current, former and prospective investors and their personal information is of the utmost importance and we are fully committed to maintaining the privacy of such information in our possession. In accordance with the new rules we are providing current and prospective investors with the following information.

We collect nonpublic personal information about current and prospective investors from the following sources: information we receive from current and prospective investors on managed account agreements or subscription documents and related forms (for example, name, address, social security number, birth date, assets, income, investment experience) and information about investor's transactions with us. We restrict access of current, former and prospective investors' nonpublic information to our affiliates and their personnel, counsel, and auditors who need to know that information in order to (i) insure compliance with applicable laws and regulations or (ii) provide products or services to the investors. Accordingly, we maintain physical, electronic, and procedural controls in keeping with federal standards to safeguard the nonpublic personal information about current, former, and prospective investors that is in our possession.

If, at any time in the future it is necessary to disclose any of a client's personal information in a way that is inconsistent with this policy, we will give advance written notice of the proposed change so that its clients will have the opportunity to "opt out" of such disclosure.

Form ADV Part 2B Brochure Supplement

Ross T. Bowler

2nd Market Capital Advisory Corporation

650 N. High Point Road
Madison, WI 53717
608-833-7793

March 2017

This Brochure Supplement provides information about Ross Bowler that supplements the 2nd Market Capital Advisory Corporation Brochure. You should have received a copy of that Brochure. Please contact Robin Sherman, Director of Operations at 608-833-7793 or rsherman@2ndmarketcapital.com if you did not receive 2nd Market Capital Advisory Corporation's Brochure or if you have any questions about the contents of this supplement.

Additional information about Ross Bowler is available on the SEC's website at www.adviserinfo.sec.gov.

EDUCATIONAL BACKGROUND AND BUSINESS EXPERIENCE

Ross Bowler is the sole shareholder and president of 2nd Market Capital Advisory Corporation. Mr. Bowler, born 1959, received his B.S. from the University of Wisconsin in 1982. From 1984 through 2003, Mr. Bowler was licensed as a Registered Securities Principal and worked as a stockbroker for various investment firms. He is not currently affiliated with a Broker/Dealer. In 1991 he formed the investment advisor through which he provides a variety of financial services, including securities analysis, trading and portfolio management. Mr. Bowler does not currently hold any securities licenses.

DISCIPLINARY INFORMATION

There are no legal or disciplinary events that we believe are material to a client's evaluation of Mr. Bowler.

OTHER BUSINESS ACTIVITIES

Mr. Bowler is the sole shareholder and president of 2nd Market Capital Services Corporation, formed in 1989 to provide administrative services in connection with secondary market trades and transfer activities of banks, brokerage companies and certain individual investors. 2nd Market Capital Services Corporation is the Manager of Corsaires Dividend Growth, LLC, Corsaires Total Return, LLC, Corsaires Real Estate Dividend, LLC, Corsaires Horizon 2012, LLC, Corsaires Grand Moisson, LLC, and Bande de Corsaires High Yield Portfolio, LLC and is responsible for the day to day administrative management of the companies.

ADDITIONAL COMPENSATION

Mr. Bowler does not have any arrangements, oral or in writing where he is paid cash by or receives some economic benefit from a non-client in connection with giving advice or other advisory benefits to clients.

SUPERVISION

Mr. Bowler is the sole shareholder and President of 2nd Market Capital and consequently does not report to a supervisor.

REQUIREMENTS FOR STATE-REGISTERED ADVISERS

State registered investment adviser representatives are required to disclose all material facts regarding certain legal, disciplinary or financial events that would be material to the evaluation of the representative. Mr. Bowler is currently not subject to, nor has ever been subject to, any legal, disciplinary or financial events of this nature.