BULL RUN INVESTMENT MANAGEMENT
BRIM

DUE DILIGENCE QUESTIONNAIRE

Bull Run Investment Management

The questions a home office or compliance team usually asks before approving an outside manager, answered for financial advisors who use Bull Run's strategies through the Schwab Managed Account Marketplace. Each answer names its source, so it can be checked against Bull Run's Form ADV, the documents on Advisor Resources and records available on request. Answers as of November 2026.

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At a glance

Firm	Bull Run Investment Management, LLC	Registration	State-registered investment adviser, CRD 306763
Formed	October 2019; registered March 2020	Ownership	Christopher Passarelli, 80.35%
Assets	$56.2 million as of December 2025	Accounts	445 accounts, 103 clients
Portfolio manager	Christopher M. Passarelli, founder and CEO	Strategies	Four equity SMAs, five risk models
Platform	Schwab Managed Account Marketplace	Manager fee	0.50% a year, billed quarterly in arrears
Agreement	One sub-advisory agreement with the advisor's firm; no lockup	Discretion	Discretionary; Bull Run places every trade
Minimum	$10,000 per account, preferred; may be waived	Custodian	Charles Schwab & Co., Inc.
Benchmark	S&P 500 Total Return; each strategy also has its own (3.8)	Performance	Live since 2020–2022 by strategy; hypothetical backtests from 2008

1 The firm

1.1 Legal name, structure and address

Bull Run Investment Management, LLC, a Virginia limited liability company. Principal office: 6731 Whittier Avenue, Suite 200, McLean, VA 22101. Phone (703) 344-6844. Website www.bullrunim.com.

Source: Form ADV Part 1A, Items 1 and 3

1.2 When was the firm formed and registered?

Bull Run was formed on October 21, 2019 and registered as an investment adviser in March 2020. Chris Passarelli founded it with partners and became its controlling owner in 2023.

Source: Form ADV Part 2A, Item 4.A; Part 1B, Item 2.K; Advisor Guide

1.3 How is the firm registered?

Bull Run is a state-registered investment adviser, firm CRD 306763, with Virginia as its home state. It is registered in California, the District of Columbia, Florida, Maryland, North Carolina, Texas and Virginia. Advisers managing less than $100 million generally register with their states rather than the SEC. On accounts placed by advisors, Bull Run is a sub-adviser and its client is the advisor's firm, so in most states it does not register where it has no office; it confirms the firm's state before the first account opens. For its own private clients in another state, Bull Run relies on the national de minimis exemption (no office in the state and fewer than six clients there in 12 months) or registers.

Source: Form ADV Part 1B, Item 1; Investment Adviser Public Disclosure; Sub-Advisory Agreement; Bull Run

1.4 Who owns and controls the firm?

Owner	Role	Ownership
Christopher M. Passarelli	Founder, CEO, portfolio manager and CCO. Controls the firm.	80.35%
Eric P. Whittleton	Board Advisor (see 2.3)	17.34%
Brad Holman	Former partner, with no role in the business	2.31%

There are no indirect owners.

Source: Form ADV Part 1A, Schedule A; Bull Run

1.5 Affiliations and other business

Bull Run is not a broker-dealer and has no affiliated broker-dealer, bank, insurance company or other investment adviser. It is independent of Charles Schwab. Its business is managing its four strategies, for its own clients and for the clients of advisors who use them through Schwab; it also manages two employer retirement plans (7.1) and a few custom accounts (3.6). Its own clients receive financial planning, included in the fee, and can be referred to an estate-planning attorney, Bobby Feisee of InsightLaw, and a CPA firm, Wendroff & Associates (6.4).

Source: Form ADV Part 1A, Items 6 and 7; Part 2A, Items 4, 10 and 14

1.6 Assets under management and accounts

All of Bull Run's assets are managed on a discretionary basis.

Form ADV, last amended October 22, 2026, reports these figures, calculated in December 2025:

Clients	Number	Assets
Individuals	77	$10,092,944
High-net-worth individuals	24	$42,257,056
Pension and profit-sharing plans	2	$3,817,032
Total	**103**	**$56,167,032**

The total covers 445 accounts.

Current figures by strategy are available on request.

Source: Form ADV Part 1A, Items 5.D and 5.F

1.7 How many people work at Bull Run?

One employee: Chris Passarelli, the portfolio manager, trader and Chief Compliance Officer. Outside firms handle the rest: Schwab for custody and trade operations, Black Diamond for performance reporting, and

Comply for compliance. Sean Collicott rejoined Bull Run in 2026 as a Senior Financial Advisor (see 2.3).

Source: Form ADV Part 1A, Item 5.A; Bull Run

1.8 Who are the clients?

Individuals and families, high-net-worth individuals and business owners' retirement plans, and the clients of independent advisors who use Bull Run's strategies through Schwab. Bull Run has no fund or non-U.S. clients.

Source: Form ADV Part 1A, Items 5.C and 5.D

2 People

2.1 Who manages the strategies?

Christopher M. Passarelli, founder and Chief Executive Officer, portfolio manager and Chief Compliance Officer (individual CRD 6810007). He does the research, makes every buy and sell decision, sizes the positions and places the trades for all four strategies. He has managed each strategy since its launch.

Source: Form ADV Part 2B; Bull Run

2.2 What is his background?

- B.S. in Finance, University of Colorado Boulder, 2017. Led the team that placed 4th of about 468 teams in the 2016 CME Group University Trading Challenge.
- Bull Run Investment Management, since 2019: investment adviser representative since March 2020, Chief Compliance Officer since May 2020
- Spectrum Financial, 2018 to 2020: quantitative and fundamental strategy research
- Morgan Stanley, 2018: commodity derivatives analyst, supporting the New York trading desk
- TD Ameritrade Institutional, 2017: wealth management, on SMA and UMA strategies for independent advisors
- IPS Strategic Capital, 2016: equity derivatives research

He holds the Series 65 (Uniform Investment Adviser Law Examination). His continuing education is current. No disciplinary history.

Source: Form ADV Part 2B, Items 2, 3 and 7; Bull Run

2.3 Who else is involved in the business?

Eric P. Whittleton is Bull Run's Board Advisor and a minority owner since 2023. He advises on the firm's direction and provided capital in its early stages. He does not manage money or give investment advice, and his contact with clients is limited to a few he knows personally. He has more than 35 years in information technology and cybersecurity and has been President of Tychon LLC since 2017.

Sean Collicott is a Senior Financial Advisor. He works directly with his own clients on retirement planning, rollovers and long-term investing, and Chris manages their portfolios in Bull Run's four strategies. He does not make investment decisions for the strategies.

Source: Form ADV Part 2A, Item 19; Bull Run

2.4 What happens if the portfolio manager is unavailable?

Bull Run's written business continuity plan covers the death or incapacity of its key person, with notice to the Virginia State Corporation Commission within 24 hours and to clients within five business days. On accounts placed through the Marketplace, the advisor's firm keeps its trading authority: if Chris cannot act, the advisor can take the account back under its own management with Schwab's change form and trade it. Client assets stay at Schwab in each client's name throughout.

Source: Business continuity plan (updated August 2025); Getting Started on Schwab

3 Investment process

3.1 What is the investment philosophy?

Own the fastest-growing companies in the fastest-growing industries, and leave the rest out. Over time a stock usually follows its company's sales.

Source: Investment Philosophy page

3.2 How are companies found and selected?

Top-down, then bottom-up. First Bull Run finds the industries whose revenue is growing fastest as a group. Then it owns the strongest companies in them. Bull Run looks for sales growth in the strategy's range, an industry that is growing as a whole, high gross margins that are holding up, a leading position, a sound balance sheet and a price that still makes sense for its growth. Consensus revenue estimates and gross margins are refreshed weekly.

The ranges describe the companies each strategy looks for. Individual holdings, and at times a portfolio as a whole, can sit outside them.

The research is mainly fundamental. In Innovation, strong price momentum can help decide when to buy a company that already passes on fundamentals; this is the technical analysis Form ADV Part 2A, Item 8 lists. Low Volatility favors companies whose shares move less than the market.

Source: Investment Philosophy page; Advisor Guide; Form ADV Part 2A, Item 8; Bull Run

3.3 How are portfolios built?

Each strategy holds 20 to 35 positions (see section 4). The best ideas get the most money, so positions are not equal-weighted: on October 8, 2026 the top 10 positions were 59% to 65% of each strategy, and the largest single positions were 10.8% to 15.8%.

Innovation, Growth and Core also hold a small position in leveraged index products (FNGU, QLD and MAGX), which move two to three times their index each day: 12.6% of Innovation, 4.8% of Growth and 4.4% of Core on October 8, 2026. Low Volatility holds none. The rest is a little cash. QLD and MAGX are ETFs; FNGU is an exchange-traded note issued by Bank of Montreal, so it also carries the bank's credit risk.

As guides, a single position is kept to about 25% or less, and total market exposure, counting the leverage inside the index products, is kept below about 135% in Innovation, Growth and Core.

Source: Investment Philosophy page; SMA Performance page; fund issuers; Bull Run

3.4 When is a stock sold?

When its growth no longer fits the strategy, when the facts behind the purchase change, or when a better company comes along. A bad month for the stock is not a reason to sell a good company. Every company owned is reviewed every quarter.

Source: Investment Philosophy page

3.5 How often are portfolios rebalanced, and how much do they trade?

Rebalancing follows market conditions and how far a portfolio has drifted, not a set calendar. Innovation is usually rebalanced at least once or twice a quarter. New money in an existing account goes in at the next rebalance.

Approximate yearly turnover: Low Volatility about 20%, Core and Growth about 30%, and Innovation up to about 100%. Most of Innovation's turnover comes from trading a small part of the portfolio while its core positions are held. Where a household holds more than one strategy, Bull Run suggests holding Innovation in an IRA or Roth. Exact figures are available on request.

Source: Client Resources; Getting Started on Schwab; Advisor Guide; Bull Run

3.6 Do the strategies use margin, short sales, options or other derivatives?

No. The four strategies do not borrow on margin, sell short or use options. Their only leverage is inside the leveraged index products described in 3.3.

Separately, for very aggressive clients with about $1 million or more, Bull Run can run a custom account outside the four strategies that may include short positions in leveraged ETFs. It can be offered to advisors' clients. These accounts are not part of any model or of the published record. Because of them, Form ADV Part 2A, Item 8 lists short sales and margin among the methods Bull Run may use.

Source: Bull Run; Form ADV Part 2A, Item 8

3.7 How is risk managed?

Mostly through the mix of strategies. Each strategy is concentrated and can fall further than the market. Bull Run blends the four into five risk models, so Core and Low Volatility temper the swings of Growth and Innovation, and a risk questionnaire points each private client to a model. Risk measures for each strategy (volatility, beta, deepest drop and capture ratios) are published and updated every day. When the market is falling, new money can be held for up to 10 to 15 business days before it is invested. The position and exposure guides are in 3.3.

Source: Investment Philosophy page; SMA Performance page; Getting Started on Schwab

3.8 What benchmark is used?

All four strategies are shown against the S&P 500 Total Return Index, before any fee. Each one also has its own benchmark: Innovation, the BVP Nasdaq Emerging Cloud Index, an index of fast-growing cloud software companies; Growth, the Nasdaq-100; Core and Low Volatility, the S&P 500. Charts on the website can also show any other ticker for comparison.

Source: Strategy_Metadata, Master Database; SMA Performance page; How Bull Run Reports Fees

3.9 What is each strategy's capacity?

Bull Run estimates capacity of at least $1 to $2 billion for Innovation and about $10 billion each for Growth, Core and Low Volatility. The strategies own mostly large companies, and the firm is far below these levels.

Source: Bull Run

3.10 How are taxes managed?

Each stock has its own cost basis in the client's account, so losses can be harvested position by position even when a strategy is up. Bull Run harvests losses through the year, in Marketplace accounts too, both on its own and when an advisor asks. Each year-end it emails a reminder so advisors can flag anything specific. Harvesting follows the client: for a client who already carries large losses forward, Bull Run may not harvest at all. Existing positions can come in without being sold, and specific tax lots can be chosen.

Bull Run does not give tax advice.

Source: Advisor Guide; Client Resources; Bull Run

4 The strategies

4.1 Which strategies are offered?

Strategy	Live since	Company revenue growth	Holdings	Positions, Oct 8 2026	Risk profile
Equity Innovation	March 24, 2020	Above 25%	20–25	24	Aggressive
Equity Growth	April 14, 2022	15–25%	20–25	23	Moderate-Aggressive
Equity Core	March 23, 2021	12–15%	25–30	26	Moderate
Equity Low Volatility	April 16, 2021	7–12%	25–35	29	Moderate-Conservative

All four are measured against the S&P 500 Total Return, and each against its own benchmark (3.8). The revenue growth column describes the companies each strategy looks for (3.2). Innovation is not offered inside employer retirement plans; Growth is used there instead.

Source: Advisor Guide; Investment Philosophy page; SMA Performance page

4.2 What are the five risk models?

Model	Bonds	Low Volatility	Core	Growth	Innovation
Conservative	50%	25%	25%	—	—
Moderate-Conservative	20%	30%	50%	—	—
Moderate	—	30%	40%	30%	—
Moderate-Aggressive	—	—	40%	30%	30%
Aggressive	—	—	—	50%	50%

Bull Run blends the four strategies into five models for its own clients. Advisors can use the same blends or their own. Each Marketplace account holds one strategy, so a blend uses one account per strategy. The bond share is held outside Bull Run's strategies, in an ETF.

Source: Advisor Guide; Firm Overview

5 Using Bull Run through Schwab

5.1 How do advisors use Bull Run?

Through the Schwab Managed Account Marketplace. The advisor selects Bull Run and a strategy for the account in Schwab Advisor Center, and the account comes under Bull Run's model. Assets stay at Schwab in the client's name. The Marketplace is not a program sponsored by Schwab, and Schwab does not evaluate, endorse or recommend Bull Run.

Source: Advisor Guide; Getting Started on Schwab

5.2 What are the agreements, and what does the client sign?

The advisor's firm signs Bull Run's sub-advisory agreement once. It covers every client account the firm assigns to Bull Run, has no lockup or minimum term, and the firm can end it at any time. For each account, the client signs only Schwab's paperwork: the Managed Account Marketplace application for a new account, or Schwab's limited power of attorney to add Bull Run to an account already open. Either one names Bull Run as the manager, gives Bull Run trading authority and authorizes Schwab to pay Bull Run's fee. The client signs nothing from Bull Run. The advisor's firm also signs Schwab's Managed Accounts Addendum once, when it sets up its Marketplace master account.

Source: Sub-Advisory Agreement; Schwab Managed Account Marketplace Account Application; Schwab Advisor Services

5.3 Who does what?

	Responsible for
Bull Run	Research, stock selection, trading and rebalancing. Bills its 0.50% through Schwab. Performance reporting through Black Diamond, fact sheets and tools. Answers the advisor's questions.
Advisor's firm	The client relationship, planning and advice. Signs the sub-advisory agreement once, chooses the strategy or mix, opens the account, bills its own fee and stays the client's first contact.
Schwab	Holds the assets in the client's name. Sends statements, confirmations and tax forms.
Client	Owns the account and signs Schwab's paperwork.

Source: Getting Started on Schwab; Advisor Guide

5.4 Does Bull Run have discretion?

Yes. Bull Run has discretionary trading authority over the account and places every trade. It is not a model-delivery arrangement. The advisor's firm keeps full advisory access and agrees, in Schwab's paperwork, not to trade in the account while Bull Run manages it.

Source: Advisor Guide; Getting Started on Schwab

5.5 What is the minimum?

$10,000 per account, and each strategy is its own account. It is the preferred minimum: below it, an account cannot hold every position close to its model weight. It may be waived.

Source: Fee Schedule – Financial Advisors; Bull Run

5.6 How does an advisor get started?

Once. The advisor's firm works with Schwab Advisor Services, opens a Managed Account Marketplace master account (separate from its regular master) and signs Schwab's Managed Accounts Addendum. After a 20-minute call with Chris, the firm receives Bull Run's Form ADV Part 2A and 2B and privacy policy, and signs Bull Run's sub-advisory agreement.

Each account. Open it in Schwab Advisor Center under the Marketplace master, choose Bull Run Investment Management, LLC and the strategy, have the client sign Schwab's application, and fund it by ACAT, journal, check or wire. Bull Run invests it to the strategy's model, usually within a few business days of the money arriving. An account already at Schwab can be added through Schwab's digital onboarding ("Add LPOA for IA"), or by opening a new Bull Run account and journaling money or positions in. Clients' Schwab Personal Choice Retirement Accounts (PCRA) can use Growth, Core and Low Volatility.

Source: Getting Started on Schwab; Bull Run

5.7 Can accounts be customized?

Yes. Every position belongs to the client, so an account can avoid a stock, work around a large existing holding or use specific tax lots. There is no set limit on restrictions and no minimum account size for them. Positions can come in without being sold; ones that do not fit the strategy may be sold over time, which in a taxable account can create a tax bill, so Bull Run reviews the list first. Bull Run may decline a restriction that would keep it from managing the account to the strategy.

Source: Advisor Guide; Getting Started on Schwab; Form ADV Part 2A, Items 4.C and 16; Bull Run

5.8 Deposits, withdrawals and ending the relationship

Deposits. Deposit or journal money in and let Bull Run know. It goes in at the next rebalance. **Withdrawals.** The advisor or client requests them at Schwab, with five business days' notice so Bull Run can raise the cash. Bull Run cannot move money out. **Ending.** The advisor files Schwab's form to change or end a money manager, with two business days' notice, and the account returns to the advisor's management. There is no charge to close, and no fee for the quarter in which the account leaves.

Source: Getting Started on Schwab; Sub-Advisory Agreement

5.9 Who votes proxies?

Not Bull Run. Bull Run does not accept proxy voting authority. In Schwab's account paperwork the client or the advisor's firm is named to vote.

Source: Form ADV Part 2A, Item 17; Getting Started on Schwab

5.10 What reporting do advisors and clients receive?

Schwab Advisor Center shows every holding and trade, and the advisor receives trade confirmations. The client receives Schwab's statements, confirmations and tax forms. Each quarter Bull Run can send a performance report from Black Diamond, its reporting system, to the advisor or straight to the client, whichever the advisor prefers. Bull Run also emails as needed, for example about trades or year-end tax-loss harvesting. Fact sheets (with the advisor's fee, if wanted), daily returns and an SMA Performance dashboard are on the website.

Source: Getting Started on Schwab; Advisor Resources; Bull Run

5.11 Who do advisors contact?

Chris Passarelli directly, usually the same business day: info@bullrunim.com, (703) 344-6844. He can join a call with the advisor and the client.

Source: Advisor Guide

6 Fees

6.1 What does Bull Run charge on accounts placed by advisors?

0.50% a year on all four strategies: one flat rate on every dollar, with no tiers. It is billed quarterly in arrears on the account's average daily balance, by Bull Run through Schwab, as its own line on the client's statement. An account's first quarter is charged only for the days managed, and no fee is charged for a quarter in which an account leaves Bull Run. The rate is negotiable for larger relationships. There is no setup fee, no performance fee and no charge to close an account.

Source: Fee Schedule – Financial Advisors; Sub-Advisory Agreement

6.2 How does the advisor's fee work alongside it?

The advisor sets its own fee and bills it as its own line through Schwab, monthly or quarterly. Each firm uploads its own fee. Bull Run and the advisor's firm do not share fees in either direction.

Source: Getting Started on Schwab; Fee Schedule – Financial Advisors

6.3 What other costs does the client pay?

The expenses of the leveraged index products inside the strategies, which are paid inside those products and not charged by Bull Run. They charge about 0.95% a year each, so on October 8, 2026 they came to about 0.12% a year of an Innovation account, 0.05% of Growth and 0.04% of Core. Low Volatility holds none.

Custody and trading costs depend on the advisor firm's Schwab pricing: with transaction-based pricing, online U.S. stock and ETF trades cost $0, and asset-based pricing is the other option. Schwab's one-off charges include $25 for a trade placed by phone, $25 for an outgoing wire and $50 to transfer an account away (Schwab's pricing guide for clients of independent advisors, July 2026).

Source: Fund issuers; Getting Started on Schwab

6.4 Does Bull Run receive any other compensation?

No. Bull Run is paid only by its clients' advisory fees. It receives no commissions, 12b-1 fees, revenue sharing or payments from product sponsors. It pays a referral fee to one CPA firm, Wendroff & Associates, for clients that firm refers. Form ADV Part 2A also lists two outside managers, kept only for one client account from before Bull Run's current strategies; Bull Run does not use or recommend them.

Source: Form ADV Part 2A, Items 5, 10 and 14; Bull Run

6.5 What do Bull Run's own private clients pay?

A graduated schedule, with household accounts combined: 1.50% on the first $250,000, 1.30% to $500,000, 1.15% to $1,000,000, 1.00% to $2,500,000, 0.95% to $5,000,000, 0.90% to $10,000,000, 0.85% to $25,000,000 and 0.65% above. Bull Run's publicly reported net returns deduct 1.50% a year, the top rate on that schedule and the same total as a 1.00% advisory fee plus Bull Run's 0.50%.

Source: Fee Schedule – Private Clients

7 Trading and operations

7.1 Who is the custodian?

Charles Schwab & Co., Inc. Every account in Bull Run's strategies is held at Schwab in the client's name, and Schwab sends statements, confirmations and tax forms directly to the client. Bull Run is not affiliated with Schwab. Bull Run also manages, with discretion, two employer retirement plans held at their plan providers; that is why Form ADV shows a small part of its assets outside Schwab.

Source: Form ADV Part 2A, Items 12 and 14; Part 1A, Schedule D; Bull Run

7.2 How are trades placed and allocated?

Chris places trades as block orders at Schwab. Marketplace accounts and Bull Run's own client accounts in the same strategy trade in the same block, at the same average price. Bull Run's policy is to allocate trades fairly and equitably over time, and block trades are reviewed so that no account is systematically disadvantaged.

Source: Fee Schedule – Financial Advisors; Form ADV Part 2A, Items 4 and 12; Bull Run

7.3 How is best execution handled?

Bull Run trades through Schwab and seeks to execute on the most favorable terms for the client under the circumstances. Its orders are small next to the daily trading volume of the large companies it owns. Clients will not necessarily pay the lowest possible commission, and Bull Run never adds a markup or commission of its own.

Source: Form ADV Part 2A, Item 12; Bull Run

7.4 Soft dollars

None. Bull Run has no soft-dollar arrangements (Form ADV Part 1A, Item 8.G). Form ADV Part 2A, Item 12 reserves the right to use research arrangements under Section 28(e); Bull Run uses none. Like other independent advisers at Schwab, it receives the research, software and services Schwab provides to advisers, described in Part 2A, Items 12 and 14.

Source: Form ADV Part 2A, Items 12 and 14; Part 1A, Item 8.G

7.5 How are trade errors handled?

A trade error is Bull Run's responsibility, never the advisor's or the client's, since Bull Run places the trades. Bull Run corrects it through Schwab's trade correction process so that the client is made whole. Trade errors have been rare.

Source: Bull Run

7.6 Principal trades, cross trades and personal trading

Bull Run does not trade as principal with clients and does not do agency cross trades. Nearly all of Chris's investable net worth is in Bull Run's own strategies, so he owns what clients own. He never trades ahead of client accounts. Personal trading is governed by Bull Run's Code of Ethics, which is available on request.

Source: Form ADV Part 1A, Item 8; Part 2A, Item 11; Bull Run

7.7 How is cash managed?

Each strategy keeps about 0.5% in cash, held in Schwab's standard cash sweep. New money is usually invested within a few business days.

Source: Bull Run; Getting Started on Schwab

8 Performance

8.1 What performance does Bull Run publish?

One return a day for each strategy since January 7, 2008, before and after fees, in a public spreadsheet updated every trading day and downloadable as a CSV file. Results from each strategy's live date are live. Results before it are backtested and hypothetical. Charts and fact sheets open on live results; the backtested history shows only when turned on, drawn lighter and labeled.

Source: SMA Performance page; Advisor Resources

8.2 Where do the live returns come from?

From real client accounts at Schwab. Each day of live history comes from one client account per strategy, exported daily from Black Diamond. When that account changes, the date is logged, and the account history is published without names or account numbers in the Advisor Performance Audit tab of the public spreadsheet. One window had no client account: Low Volatility from August 29, 2023 to May 7, 2024, which uses a buy-and-hold model of the previous account's holdings. That model replaced the figures first published for the window on September 9, 2026; the change lowered Low Volatility's cumulative return

since going live by 0.9 percentage points. The Black Diamond exports behind any published day are available on request.

Source: Advisor Performance Audit; Advisor Guide; Bull Run

8.3 Is performance GIPS-compliant, composite-based, audited or verified?

Not yet. The record is Bull Run's own daily return series from one account per strategy, not a GIPS composite. It is not verified to GIPS standards or audited, and Schwab does not audit or verify it. Bull Run plans to comply with GIPS, with composites of all the accounts in each strategy, and to have an independent verifier confirm it by the end of 2027.

Source: Advisor Guide; Advisor Resources; Bull Run

8.4 How are returns calculated?

Live daily returns are Black Diamond's time-weighted returns, with dividends included. Backtested days and the 2023 to 2024 Low Volatility window are calculated from adjusted closing prices. Returns compound, and windows longer than a year are annualized. Volatility is the yearly standard deviation of daily returns; the Sharpe ratio measures the return above the 3-month Treasury bill over the same dates; beta is measured on daily returns against the S&P 500; capture ratios use monthly returns.

Source: SMA Performance page; Bull Run

8.5 How are fees reflected?

Gross returns are before any fee. Bull Run's publicly reported net returns deduct 1.50% a year from the first day of the record: at each quarter-end, one quarter of the annual fee, on that quarter's average daily balance. Fact sheets and charts can also show the 0.50% manager fee alone, the private-client schedule, or an advisor's own fee plus 0.50%. Fund expenses are already in the funds' prices and are not deducted twice. Benchmarks are always gross.

Source: How Bull Run Reports Fees; Master Database, Fee_Engine

8.6 How were the backtests built?

Each backtest runs from January 7, 2008 to the strategy's live date. They are hypothetical and were not traded with client money. Growth, Core and Low Volatility are fixed lists of holdings, chosen in 2019 and 2020 with the benefit of hindsight and held without rebalancing; Growth's list is 52% in the Vanguard Growth ETF (VUG) plus 12 stocks. Innovation's was built in 2019 and 2020 in Kwanti, a portfolio-modeling tool, also with hindsight. They show how each strategy's approach would have behaved over a long period. Bull Run shows them only labeled and apart from live results, and plans to rebuild all four under written rules by the end of 2027; the rebuilt backtests will replace these, and their figures will change.

Source: BRIM Performance Record, Backtest_Methodology; SMA Performance page; Bull Run

8.7 How are the five models figured?

From the strategies' daily returns at each model's mix, with the bond share modeled by the iShares iBoxx $ High Yield Corporate Bond ETF (HYG), rebalanced to the mix each quarter. On the SMA Performance page, model results start the day all of a model's parts were live; the Allocation Model Fact Sheet can also show a labeled backtest.

Source: SMA Performance page; Allocation Model Fact Sheet

8.8 Where are the current figures?

They change every day, so they are not printed here. Current results are on the SMA Performance page, the four strategy fact sheets, the Proprietary SMA Fact Sheet and the Allocation Model Fact Sheet, all on Advisor Resources.

8.9 Has Bull Run ever closed, merged or renamed a strategy?

No strategy has ever been closed or merged. One was renamed. Innovation went live on March 24, 2020 under the name Growth. In 2022 Bull Run launched a new Growth strategy, live since April 14, 2022, and renamed the original one Innovation: the same portfolio and the same daily record, with no break. Each strategy's live date is in 4.1.

Source: Strategy_Metadata, Master Database; Bull Run

9 Compliance and regulatory

9.1 Who is the Chief Compliance Officer?

Christopher M. Passarelli, since May 2020.

Source: Form ADV Part 2B

9.2 Describe the compliance program.

Bull Run works with Comply, an outside compliance firm, which supports its compliance program and Form ADV filings. Its written policies include a compliance manual, a Code of Ethics, a supervisory procedures manual (new account approvals, ongoing monitoring, trade and correspondence review, complaint handling and the annual compliance review), a business continuity plan, a cybersecurity policy, and information security and privacy policies. The Code of Ethics covers personal trading, insider trading, gifts and conflicts of interest, and is available free on request.

Source: Form ADV Part 2A, Item 11; Bull Run

9.3 Does Bull Run have custody?

Only because it deducts its fee from client accounts, with the client's written authorization. Each fee comes with an itemized invoice, and Schwab sends statements that show it. Bull Run does not hold client cash or securities, and it cannot withdraw money for any other purpose without the client's written authorization.

Source: Form ADV Part 2A, Items 5 and 15; Part 1A, Item 9; Part 1B, Item 2.I

9.4 Disciplinary history and litigation

None. Neither Bull Run nor Chris Passarelli has any criminal, civil, regulatory, self-regulatory or arbitration event to report.

Source: Form ADV Part 2A, Items 9 and 19; Part 1A, Item 11; Part 2B, Items 3 and 7

9.5 Regulatory examinations

Bull Run's first examination was by the Virginia State Corporation Commission's Division of Securities and Retail Franchising. The Division issued its findings on July 22, 2025; Bull Run addressed each one, and the Division closed the examination on August 25, 2025. The closing letter is available on request.

Source: Virginia State Corporation Commission

9.6 Financial condition and bond

Bull Run does not collect fees in advance, and no financial condition is likely to impair its ability to meet its commitments to clients. It has not been the subject of a bankruptcy petition. It meets Virginia's minimum capital requirement and carries a $35,000 surety bond with Hudson Insurance Company.

Source: Form ADV Part 2A, Item 18; Part 1B, Item 2.B

9.7 Insurance

Bull Run carries professional liability (errors and omissions) insurance with Beazley, at Lloyd's of London, through Lockton Affinity. It was renewed for 2026 to 2027.

Source: Lockton Affinity

9.8 Privacy

Bull Run gives its privacy notice to each of its own clients before an engagement takes effect, and to each advisor's firm with the sub-advisory agreement. Client information is protected with computer safeguards, secured files and a secured building, under its written information security and privacy policies.

Source: Privacy notice; Bull Run

9.9 Class actions

Bull Run does not file class action claims on clients' behalf as a rule. It can help a client with a claim case by case.

Source: Bull Run

9.10 Conflicts of interest

Form ADV Part 2A describes each one. The main ones for an advisor: Bull Run requires Schwab as custodian (apart from two employer plans held at their plan providers) and receives services from Schwab that benefit Bull Run; Chris owns the same securities the strategies own; and Bull Run pays a referral fee to one CPA firm. Bull Run charges no performance fees.

Source: Form ADV Part 2A, Items 6, 11, 12 and 14

10 Business continuity, cybersecurity and vendors

10.1 Business continuity

Bull Run has a written business continuity plan, updated in August 2025. It covers business disruptions, including the death or incapacity of its key person, with notice to the Virginia State Corporation Commission within 24 hours and to clients within five business days. Client assets are at Schwab in each client's name (apart from two employer plans held at their plan providers), and advisors keep trading authority on their accounts (see 2.4).

Source: Business continuity plan (updated August 2025)

10.2 Cybersecurity

Bull Run follows a written cybersecurity policy built on the NIST framework (identify, protect, detect, respond and recover) and reviewed every year. Its portfolio proposal tool reads statements in the browser; the files never leave the user's device.

Source: Cybersecurity policy (updated August 2025); Advisor Guide

10.3 Service providers

- Charles Schwab & Co.: custody, trading and statements
- Black Diamond: performance reporting and the client portal
- RightCapital: financial planning for Bull Run's own clients
- Comply: compliance support and Form ADV filings
- DocuSign: electronic signatures

- Lockton Affinity and Beazley: errors and omissions insurance
- Hudson Insurance Company: surety bond

Source: Bull Run

11 Documents

11.1 What documents are available?

- Form ADV Part 1A, on the SEC's Investment Adviser Public Disclosure site
- Form ADV Part 2A (the firm brochure) and Part 2B (Chris Passarelli)
- Sub-Advisory Agreement, the one agreement an advisor's firm signs; Privacy Policy
- Advisor Guide; Firm Overview; Fee Schedule – Financial Advisors; Fee Schedule – Private Clients; How Bull Run Reports Fees; sample portfolio proposal
- Fact sheets for each strategy, the Proprietary SMA Fact Sheet and the Allocation Model Fact Sheet
- Daily returns: live, plus labeled hypothetical backtests from 2008 (CSV), and the public performance spreadsheet with its Advisor Performance Audit tab
- On request: the Code of Ethics, the Black Diamond exports behind the performance record, turnover by strategy, and an insurance certificate

Everything but the items on request is at bullrunim.com: the Privacy Policy on the Client Resources page, the rest on the Advisor Resources page.

Questions?

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