Turner Capital Investments, LLC

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Form ADV Part 2A Brochure

This brochure provides information about the qualifications and business practices of Turner Capital Investments, LLC. If you have questions about the contents of this brochure, please contact us at: 1-855-678-8200 or amy.goodwin@turnercapitalinvestments.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.

Turner Capital Investments, LLC is a registered investment adviser. Registration of an Investment Adviser does not imply any level of skill or training. The oral and written communications of an Investment Adviser provides you with information from which you determine whether to hire or retain an Investment Adviser.

Additional information about Turner Capital Investments, LLC also is available on the SEC's website at www.adviserinfo.sec.gov.

Material Changes - Item 2

The purpose of this page is to inform you of any material changes since the previous version of this brochure:

There were no material changes since the previous version of this brochure.

We review and update our brochure at least annually to make sure that it remains current. If you would like to receive a copy of our most recent Form ADV Part 2 Brochure, please contact us at: 1-855-678-8200 or amy.goodwin@turnercapitalinvestments.com

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Advisory Business - Item 4

Turner Capital Investments, LLC ("TCI" or "the firm") is a registered investment adviser based in Austin, Texas. The firm has been providing investment advisory services since 2007. Michael Turner is the owner and managing member of TCI having experience in trading, investing, and risk management in the securities industry since 1997.

How We Advise Clients in their Selection of which Portfolio Model(s) to have their investment capital follow:
Advisory services offered to TCI clients is predicated on specific portfolio models . Clients can select from the current list of models that best fit the client's investment objectives. We review the client's financial situation, goals, investment acumen and financial condition to assist the client in his/her selection of which of our portfolio models best fit the client's financial goals and objectives. This includes taking into account various aspects of the client's personal circumstances, particularly the client's investment goals, time horizon, age and risk tolerance based on information and investment criteria provided to TCI by the client. The client risk profile that TCI has on file must support the level of downside risk associated with the TCI portfolio model that the client desires to follow.

Each client will receive individualized investment treatment, as follows:

- Each client account must follow one and only one of the TCI portfolio models.
- Each client account is managed according to the TCI portfolio model that the client has chosen to follow. The client can elect to move out of a portfolio model and into cash at any time, but it is important to understand that even when a client's account is in cash, there is no change in TCI's management fee collection process.
- TCI obtains sufficient client information to be able to provide individualized investment advice to the client, but generally, this is limited to the client's investment objectives and the TCI portfolio model that the client desires to follow;
- TCI is reasonably available to consult with the client;
- Each client is able to impose reasonable investment restrictions on the management of their account(s);
- Each client has on-line access to a monthly statement from the custodian of his or her account(s), with a description of all account activity; and
- Each client retains ownership of the securities and funds in the client's account(s), e.g. the ability to withdraw securities, vote securities, among others.

TCI client portfolios are generally non-diversified since the portfolio model that the client has selected to follow is generally non-diversified. TCI takes a focused approach to asset allocation and we focus exclusively on stocks, ETFs, covered call options and put options, depending on the TCI portfolio model that the client desires to follow. We do not attempt to keep client accounts balanced within asset classes, bonds or mutual funds. While we do monitor the percentage allocation of client capital among various equity sectors, no particular rule or methodology is used to limit client capital among equity sectors. Investors who seek a more diversified approach to investing in the stock market should not consider TCI for money management services.

Wrap Fee Programs
We do not sponsor, manage, or participate in any wrap fee programs.

Assets Under Management
As of March 24, 2023, TCI had discretionary assets under management of approximately $73,464,563, and non-discretionary assets under management of approximately $0.

Fees and Compensation - Item 5

Portfolio Management Fees
For portfolio management services, TCI charges a non-negotiable annual fee based on a percentage of assets under management.

TCI charges the following annualized portfolio annual management fees:

TMI and Diversified Income models
- 2.0% total aggregate household accounts (under $2.5 million).
- 1.5% total aggregate household accounts ($2.5 million-up to $5 million)
- 1.0% total aggregate household accounts ($5million and above).

Laddered Fixed Income model
- 0.8% for all assets under management.

The fees and expenses in connection with these advisory services may be higher or lower than the cost of similar services offered through other financial firms, or the fees associated with other financial services.

1/12th of the "annual management fee" is processed at the beginning of each calendar month for the upcoming month from each client account. TCI does not prorate management fees for partial months when accounts are opened. Likewise, TCI does not prorate management fees for the exit month in which the client discontinues to use TCI for account management.

Additional Fees and Expenses
TCI management fee is exclusive of, and in addition to, brokerage commissions, transaction fees, and other related costs and expenses. Clients are responsible for brokerage costs incurred. However, TCI will not receive any portion of the commissions, fees, and costs. Please see Item 12 – Brokerage Practices for further information on brokerage arrangements.

Billing on Cash Positions: The firm treats cash and cash equivalents as an asset class. Accordingly, unless otherwise agreed in writing, all cash and cash equivalent positions (e.g., money market funds, etc.) are included as part of assets under management for purposes of calculating the firm's advisory fee. At any specific point in time, depending upon perceived or anticipated market conditions/events (there being no guarantee that such anticipated market conditions/events will occur), the firm may maintain cash and/or cash equivalent positions for defensive, liquidity, or other purposes. While assets are maintained in cash or cash equivalents, such amounts could miss market advances and, depending upon current yields, at any point in time, the firm's advisory fee could exceed the interest paid by the client's cash or cash equivalent positions.

Periods of Portfolio Inactivity: The firm has a fiduciary duty to provide services consistent with the client's best interest. As part of its investment advisory services, the firm will review client portfolios on an ongoing basis to determine if any changes are necessary based upon various factors, including but not limited to investment performance, fund manager tenure, style drift, account additions/withdrawals, the client's financial circumstances, and changes in the client's investment objectives. Based upon these and other factors, there may be extended periods of time when the firm determines that changes to a client's portfolio are neither necessary nor prudent. Notwithstanding, unless otherwise agreed in writing, the firm's annual investment advisory fee will continue to apply during these periods, and there can be no assurance that investment decisions made by the firm will be profitable or equal any specific performance level(s).

All fees paid to TCI for investment advisory services are separate and distinct from the fees and expenses charged to shareholders by exchange traded funds. These fees and expenses are described in each fund's prospectus.

These fees generally include a management fee, other fund expenses, and a possible distribution fee. If the fund also imposes sales charges, you may pay an initial or deferred sales charge. A client could invest in such funds directly, without the services of TCI. In which case, the client would not receive the services provided by TCI, which are designed, among other things, to assist the client in determining which fund or funds are most appropriate to their financial condition and objectives. Accordingly, clients should review the fees charged by the funds and the fees charged by TCI to fully understand the total amount of fees charged and to evaluate the cost of advisory services being provided.

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

TCI 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). TCI is compensated from the fees based on assets under management.

Types of Clients – Item 7

TCI intends to provide advice and services to affluent individuals. A minimum of $100,000 of assets under management is generally required to open a relationship with TCI. The minimum investment amount may be negotiable under certain circumstances, including the total relationship with TCI and the size of the account(s).

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

TCI's investment strategies are very actively managed and market directional. TCI may change investment strategies based on market trends. TCI uses the following approach to trading and managing client portfolios:

- Trading decisions and investments (including, but may not be limited to, equities, exchange traded funds, cash, and cash equivalents) held in client accounts are at the complete discretion of the portfolio manager but, in general, follow the profile and objectives of the TCI portfolio model that the client has selected to follow.

Turner Capital Model Portfolio Overviews

Below is a list of portfolio models that we manage on behalf of individual clients. Each model is distinctly unique. All clients, except for special situations more typically found in high-net-worth client accounts, follow one or more of these model portfolios.

TMI (Total Market Index) Portfolio Models

TMI-1x: The TMI-1x portfolio model has the objective to grow capital via the technical trading of a 50/50 investment in the 1x (non-leveraged) index tickers SPY and QQQ in bullish trends and the 1x (non-leveraged) index tickers SH and PSQ in bearish trends.

TMI-2x: The TMI-2x model has the objective to grow capital via the technical trading of a 50/50 investment in the 2x (leveraged) index tickers SSO and QLD in bullish trends and the 2x (leveraged) index tickers SDS and QID in bearish trends.

TMI-2x-ON: The TMI-2x-ON model has the objective to grow capital via the technical trading of a 100% investment in the 2x (ultra-leveraged) indexes of the Nasdaq using the QLD ETF in bullish trends and QID the 2x (ultra-leveraged) in bearish trends.

Diversified Income Model

Objective: The Diversified Income model is one of our more conservative investment strategies. The goal of this model is to generate sufficient income to consistently produce annual income of 8% to 10% of the original size of the client through the following investment strategies:

1. Invest in higher-yielding securities with a reasonable track record of consistent payouts over time. For securities that do not have adequate volume of call options:
    a. Invest smaller amounts in these securities, in the 5% range per holding.
    b. Require a larger yield generally greater than 10%.
2. Also invest in equities with strong covered call options with the potential to generate income greater than 10% per year.
3. Most holdings that have long-term hold profiles will incorporate dividend reinvestment functionality where dividends are reinvested into new shares of the holding.
4. Focus mostly on the income (dividends plus option premium) generated by each holding and less on the share price of the holding. As long as the holding continues to generate an acceptable yield based on the basis price of the holding, the share price is of less significance. Indeed, the results of reinvesting capital into holdings that lose share price, dollar-cost-averaging becomes an attribute, along with longer holding periods resulting in positive tax mitigation via long-term capital gains rates when a position is sold.

Laddered Fixed Income Model

Objective: The Laddered Fixed Income model is designed to generate income from CDs and US Treasuries via interest payments at then going rates while not exposing capital to equity market risks. The investment goal of this portfolio model is to have $1/6^{th}$ of the client account set to mature each month and, unless otherwise instructed by the client, rolled into the next best 6-month CD or US Treasury.

Clients should keep in mind that depending on when the client's account was funded and TCI began investing the capital, the client's account(s) results may vary from other TCI clients who are in the same strategy solely due to the basis in holdings that are time-sensitive to the time opening trades were made.

A client should not place his/her funds into a TCI managed account unless the client understands the extent of the strategy selected by the client to follow and its associated potential exposure to risk. Trading in the stock market is not suitable for all investors. Clients should carefully consider whether trading in the stock market is appropriate in light of the client's experience, objectives, financial resources and other relevant circumstances. Generally, the strategies used by TCI are not appropriate for someone of limited resources and limited investment or trading experience and low risk tolerance.

Risk of Loss

There are always risks to investing. Clients should be aware that all investments carry various types of risk, including the potential loss of principal that clients should be prepared to bear. It is impossible to name all possible types of risks. Among the risks are the following:

Political Risks. Most investments have a global component, even domestic stocks. Political events anywhere in the world may have unforeseen consequences to markets around the world.

General Market Risks. Markets can, as a whole, go up or down on various news releases or for no understandable reason at all. This sometimes means that the price of specific securities could go up or down without real reason, and may take some time to recover any lost value. Adding additional securities does not help to minimize this risk since all securities may be affected by market fluctuations.

Strategy Risk. When investments are made through a portfolio model, rather than individualized investment considerations, there is always the possibility that individualized investment choices would have produced a more positive result for a client than an approach where investments are made for a group of individuals with common characteristics.

Tax Risks Related to Short Term Trading. Clients should note that TCI may engage in short-term trading transactions. These transactions may result in short term gains or losses for federal and state tax purposes, which may be taxed at a higher rate than long term strategies. TCI does not make trading decisions based on tax consequences. All clients are advised to consult with their tax professionals regarding the transactions that TCI executes in client accounts.

Purchasing Power Risk. Purchasing power risk is the risk that the client investment's value will decline as the price of goods rises (inflation). The investment's value itself does not decline, but its relative value does, which is the same thing. Inflation can happen for a variety of complex reasons, including a growing economy and a rising money supply.

Information Risk. All investment professionals rely on research in order to make conclusions about investment options. This research is always a mix of both internal (proprietary) and external (provided by third parties) data and analyses. Even an adviser who says they rely solely on proprietary research must still collect data from third parties. This data, or outside research is chosen for its perceived reliability, but there is no guarantee that the data or research will be completely accurate. Failure in data accuracy or research will translate to a compromised ability by the adviser to reach satisfactory investment conclusions.

Options. The use of options transactions as an investment strategy involves a higher level of inherent risk. However, TCI only employs covered call option trades and, less frequently, uncovered put options trades. These types of option trades are not without risk, but these types of option trades are considered by TCI to be well within the limited risk profile of the investment strategy.

Risks Related to Investment Term & Liquidity. Securities do not follow a straight line up in value. All securities will have periods of time when the current price of the security is not an accurate measure of its value. If a client requires us to liquidate their portfolio during one of these periods, the client will not realize as much value as the client would have had the investment had the opportunity to regain its value. Further, some investments are made with the intention of the investment appreciating over an extended period of time. Liquidating these investments prior to their intended time horizon may result in losses.

Algorithms and Models. When the TCI investment manager utilizes Turner Enterprises, Inc.'s proprietary mathematical algorithms that identify trigger points for the purpose of indicating a "buy" or "sell" signal, these trigger points are limited in that they are based on solely the data input into the algorithm. There is an unlimited amount of data that can be considered in making any given decision as to whether to buy or sell any given security. An algorithm, by design, ignores some data in favor of others. There is a risk that the data selected for the algorithm will not create a positive result, whereas other data, had it been considered, may do so.

Concentrated Position Risk: At times, an account may hold a relatively small number of securities positions, each representing a relatively large portion of assets in the account. As a result, the account will be subject to greater volatility than a more sector diversified strategy. Investments in issuers within an industry or economic sector that experiences adverse economic, business, political conditions or other concerns will impact the value of such a portfolio more than if the portfolio's investments were not so concentrated. A change in the value of a single investment within the portfolio will affect the overall value of the portfolio and will cause greater losses than it would in a portfolio that holds more diversified investments.

Exchange Traded Funds: The shares of an ETF commonly represent an interest in a group of securities that track an underlying benchmark or index. A leveraged ETF generally seeks to deliver multiples of the daily performance of the index or benchmark that it tracks. An inverse ETF generally seeks to deliver the opposite of the daily performance of the index or benchmark that it tracks. Inverse ETFs often are marketed as a way for investors to profit from, or at least hedge their exposure to, downward-moving markets. Some ETFs are both inverse and leveraged, meaning that they seek a return that is a multiple of the inverse performance of the underlying index. To accomplish their objectives, leveraged and inverse ETFs use a range of investment strategies, including swaps, futures contracts and other derivative instruments. Most leveraged and inverse ETFs reset each day, which means they are designed to achieve their stated objective on a daily basis. With the effects of compounding, over longer timeframes the results can differ significantly from their objective. Because inverse ETFs reset each day, leveraged and inverse ETFs typically are sometimes considered inappropriate as an intermediate or long-term investment by traditional investment strategies and/or firms. They may be appropriate, however, if recommended as part of a sophisticated trading or hedging strategy that will be closely monitored by a financial professional.

Environment, Social, and Governance Investment Criteria Risk: If a portfolio is subject to certain environmental, social and governance (ESG) investment criteria it may avoid purchasing certain securities for ESG reasons when it is otherwise economically advantageous to purchase those securities, or may sell certain securities for ESG reasons when it is otherwise economically advantageous to hold those securities. In general, the application of the portfolio’s ESG investment criteria may affect the portfolio’s exposure to certain issuers, industries, sectors and geographic areas, which may affect the financial performance of the portfolio, positively or negatively, depending on whether these issuers, industries, sectors or geographic areas are in or out of favor. An adviser can vary materially from other advisers with respect to its methodology for constructing ESG portfolios or screens, including with respect to the factors and data that it collects and evaluates as part of its process. As a result, an adviser’s ESG portfolio or screen may materially differ from or contradict the conclusions reached by other ESG advisers concerning the same issuers. Further, ESG criteria are dependent on data and are subject to the risk that such data reported by issuers or received from third-party sources may be subjective, or it may be objective in principle but not verified or reliable.

Cybersecurity Risks: Our firm and our service providers are subject to risks associated with a breach in cybersecurity. Cybersecurity is a generic term used to describe the technology, processes, and practices designed to protect networks, systems, computers, programs, and data from cyber-attacks and hacking by other computer users, and to avoid the resulting damage and disruption of hardware and software systems, loss or corruption of data, and/or misappropriation of confidential information. In general, cyber-attacks are deliberate; however, unintentional events may have similar effects. Cyber-attacks may cause losses to clients by interfering with the processing of transactions, affecting the ability to calculate net asset value or impeding or sabotaging trading. Clients may also incur substantial costs as the result of a cybersecurity breach, including those associated with forensic analysis of the origin and scope of the breach, increased and upgraded cybersecurity, identity theft, unauthorized use of proprietary information, litigation, and the dissemination of confidential and proprietary information. Any such breach could expose our firm to civil liability as well as regulatory inquiry and/or action. In addition, clients could be exposed to additional losses as a result of unauthorized use of their personal information. While our firm has established a business continuity plan and systems designed to prevent cyber-attacks, there are inherent limitations in such plans and systems, including the possibility that certain risks have not been identified. Similar types of cyber security risks are also present for issuers of securities, investment companies and other investment advisers in which we invest, which could result in material adverse consequences for such entities and may cause a client's investment in such entities to lose value.

Risks Associated with Investing in Inverse and Leveraged Funds: Leveraged mutual funds and ETFs generally seek to deliver multiples of the daily performance of the index or benchmark that they track. Inverse mutual funds and ETFs generally seek to deliver the opposite of the daily performance of the index or benchmark that they track. Inverse funds often are marketed as a way for investors to profit from, or at least hedge their exposure to, downward-moving markets. Some Inverse funds are both inverse and leveraged, meaning that they seek a return that is a multiple of the inverse performance of the underlying index. To accomplish their objectives, leveraged and inverse funds use a range of investment strategies, including swaps, futures contracts, and other derivative instruments. Leveraged, inverse, and leveraged inverse funds are more volatile and riskier than traditional funds due to their exposure to leverage and derivatives, particularly total return swaps and futures. At times, we will recommend leveraged and/or inversed funds, which may amplify gains and losses.

Most leveraged funds are typically designed to achieve their desired exposure on a daily (in a few cases, monthly) basis, and reset their leverage daily. A "single day" is measured from the time the leveraged fund calculates its net asset value ("NAV") to the time of the leveraged fund's next NAV calculation. The return of the leveraged fund for periods longer than a single day will be the result of each day's returns compounded over the period. Due to the effect of this mathematical compounding, their performance over longer periods of time can differ significantly from the performance (or inverse performance) of their underlying index or benchmark during the same period of time. For periods longer than a single day, the leveraged fund will lose money when the level of the Index is flat, and the leveraged fund may lose money even if the level of the Index rises. Longer holding periods, higher index volatility, and greater leverage all exacerbate the impact of compounding on an investor's returns. During periods of higher Index volatility, the volatility of the Index may affect the leveraged fund's return as much as or more than the return of the Index itself. Therefore, holding leveraged, inverse, and leveraged inverse funds for longer periods of time increases their risk due to the effects of compounding and the inherent difficulty in market timing. Leveraged funds are riskier than similarly benchmarked funds that do not use leverage. Non-traditional funds are highly volatile and not suitable for all investors. They provide the potential for significant losses.

Pandemic Risk: Large-scale outbreaks of infectious disease can greatly increase morbidity and mortality over a wide geographic area, crossing international boundaries, and causing significant economic, social, and political disruption. It is difficult to predict the long-term impact of such events because they are dependent on a variety of factors including the global response of regulators and governments to address and mitigate the worldwide effects of such events. Workforce reductions, travel restrictions, governmental responses and policies and macroeconomic factors will negatively impact investment returns.

All securities trading is speculative in nature and involves the potential for substantial risk of loss. For that reason, the client should understand that they should only place funds into a TCI managed account that the client can afford to lose. All trading decisions made in the client’s TCI managed account could result in a substantial loss of value of the client’s account.

THERE IS NO GUARANTEE THAT THE SYSTEMS, INDICATORS, OR TRADING SIGNALS OR STRATEGIES USED BY TCI WILL RESULT IN PROFITS OR THAT SAID INVESTMENT STRATEGIES WILL NOT RESULT IN SUBSTANTIAL LOSSES IN THE CLIENT’s ACCOUNT.

Disciplinary Information - Item 9

Registered investment advisers are required to disclose all material facts regarding any legal or disciplinary events that would be material to the client’s evaluation of TCI or the integrity of TCI’s management.

A. A criminal or civil action in a domestic, foreign or military court of competent jurisdiction.
TCI does not have anything to report for this item.

B. An administrative proceeding before the SEC, any other federal regulatory agency, any state regulatory agency, or any foreign financial regulatory authority.
TCI does not have anything to report for this item.

C. A self-regulatory organization proceeding.
TCI does not have anything to report for this item.

Other Financial Industry Activities or Affiliations - Item 10

TCI and Mr. Turner do not have any other industry affiliations and are not registered with nor have an application pending to register as a broker-dealer or registered representative of a broker-dealer; as a futures commission merchant, commodity pool operator, commodity trading advisor, or an associated person with any of the foregoing entities; or with another investment adviser.

Code of Ethics, Participation or Interest in Client Transactions and Personal Trading - Item 11

Code of Ethics
TCI has adopted a Code of Ethics (the "Code") to address investment advisory conduct. The Code focuses primarily on fiduciary duty, personal securities transactions, insider trading, gifts, and conflicts of interest. The Code includes TCI's policies and procedures developed to protect client's interests in relation to the following topics:

- The duty at all times to place the interests of clients first;
- The requirement that all personal securities transactions be conducted in such a manner as to be consistent with the Code;
- The responsibility to avoid any actual or potential conflict of interest or misuse of an employee's position of trust and responsibility;
- The fiduciary principle that information concerning the identity of security holdings and financial circumstances of clients is confidential; and
- The principle that independence in the investment decision-making process is paramount.

A copy of TCI's Code of Ethics is available upon request to our firm at 1-855-678-8200.

Participation or Interest in Client Transactions and Personal Trading
TCI, its affiliates, or its associated persons may buy or sell securities identical to those recommended to customers for their personal accounts. In addition, any related person(s) may have an interest or position in a certain security(ies) which may also be recommended to a client. TCI, its affiliates, or its associated persons may purchase or sell securities for their own account that may be materially different from those recommended to clients.

At the present time, no officers, directors, or employees participate as board members or service providers of publicly traded companies. At such time as any officers, directors, and employees of TCI participate as board members or service providers of publicly traded companies and may be compensated by such companies for their services, TCI will revise this Brochure to so indicate. At that time, TCI may recommend the purchase or sale of securities of these companies as appropriate. TCI has policies and procedures in place to ensure the interests of its clients are placed above those of TCI, its affiliates and its associated persons. For example, there are: (i) restrictions as to when TCI and its associated persons may purchase or sell securities recommended by TCI; (ii) policies in place to prevent the misappropriation of material non-public information; (iii) policies and procedures to manage conflict of interest; and (iv) such other policies and procedures reasonably designed to comply with federal and state securities laws.

It is the expressed policy of TCI that no person employed by it may purchase or sell any security prior to a transaction(s) being implemented for a client account, and therefore preventing such employees from benefitting from transactions placed on behalf of client accounts.

As these situations represent a conflict of interest, TCI has established the following restrictions in order to ensure its fiduciary responsibilities:

1. Directors, officers or employees of TCI shall not buy or sell securities for their personal portfolio(s) where their decision is substantially derived, in whole or in part, by reason of his or her employment unless the information is also available to the investing public on reasonable inquiry. No associated person of TCI shall put his or her own interest above that of TCI's clients.
2. TCI maintains a list of all securities holdings for itself, and its associated persons, with access to its securities recommendations. These holdings are reviewed on a regular basis by an appropriate officer/individual of TCI.
3. TCI emphasizes the unrestricted right of the client to decline to implement any advice rendered, except in situations where TCI is granted discretionary authority of the client's account.
4. TCI requires that all employees must act in accordance with all applicable Federal and State regulations governing registered investment advisory practices.
5. Any employee not in observance of the above may be subject to termination.

Brokerage Practices - Item 12

For TCI's portfolio management programs, we recommend and request clients to implement trades and maintain custody of assets through discount brokers. We will recommend the services of Charles Schwab & Co., Inc. ("Schwab") This firm is an independent and unaffiliated SEC-registered broker-dealers and members of the Financial Industry Regulatory Authority ("FINRA") and the Securities Investor Protection Corporation ("SIPC"). This firm offers us services that include custody of securities, trade execution, clearance, and settlement of transactions.

How we select brokers/custodians
We seek to recommend a custodian/broker that will hold client assets and execute transactions on terms that are, overall, most advantageous when compared with other available providers and their services. We consider a wide range of factors, including both quantitative (Ex: costs) and qualitative (execution, reputation, service) factors. We do not consider whether Schwab or any other broker-dealer/custodian, refers clients to TCI as part of our evaluation of these broker-dealers.

Research and Other Soft Dollar Benefits Received from Schwab
Services that Benefit You: Schwab's institutional brokerage services include access to a broad range of investment products, execution of securities transactions, and custody of client assets. The investment products available through Schwab include some to which we might not otherwise have access or that would require a significantly higher minimum initial investment by our clients. Schwab's services described in this paragraph generally benefit you and your account.

Services that May Not Directly Benefit You: Schwab also makes available to us other products and services that benefit us but may not directly benefit you or your account. These products and services assist us in managing and administering our clients' accounts. They include investment research, both Schwab's own and that of third parties. We use this research to service all or some substantial number of our clients' accounts, including accounts not maintained at Schwab. In addition to investment research, Schwab also makes available software and other technology that:

- provide access to client account data (such as duplicate trade confirmations and account statements);

- facilitate trade execution and allocate aggregated trade orders for multiple client accounts;
- provide pricing and other market data;
- facilitate payment of our fees from our clients' accounts; and
- assist with back-office functions, recordkeeping, and client reporting.

Services that Generally Benefit Only Us: Schwab also offers other services intended to help us manage and further develop our business enterprise. These services include:

- educational conferences and events
- technology, compliance, legal, and business consulting;
- publications and conferences on practice management and business succession; and
- access to employee benefits providers, human capital consultants, and insurance providers.

Schwab provides some of these services itself. In other cases, it will arrange for third-party vendors to provide the services to us. Schwab may also discount or waive its fees for some of these services or pay all or a part of a third party's fees. Schwab may also provide us with other benefits such as occasional business entertainment of our personnel.

Brokerage for Client Referrals
We do not receive client referrals from broker-dealers in exchange for cash or other compensation, such as brokerage services or research.

Directed Brokerage
TCI does not allow clients to direct brokerage activities.

Aggregation of Orders (Block Trading)
TCI typically enters purchase and sell orders for all accounts within a given strategy as a block trade which provides the ability to aggregate securities transactions for execution and then TCI allocates the appropriate shares to client accounts. The number of shares allocated is based on the percentage of the portfolio that is attributable to the client account. This enables TCI to enter one order for all client accounts simultaneously and then to provide all client accounts with the same execution price, which is the average of all of the execution prices.

Review of Accounts - Item 13

Michael Turner is the owner, manager, and Chief Investment Strategist of TCI. As such he is responsible for supervision of all associated persons. The Strategies and client accounts will be reviewed by Mr. Turner, or other appropriately qualified associated person, typically on a daily basis in the course of providing Advisory services. Mr. Turner may consult with TCI's compliance consultant, or independent legal counsel, who will be available to review accounts with Mr. Turner for compliance with applicable state and federal regulations. Mr. Turner will be making suitability determinations based upon information known or obtained from such client. The Strategies and client accounts usually will be reviewed on a daily basis by Mr. Turner as appropriate based upon the client's objectives, financial situation and investment experience. The Strategies and account reviews also may be triggered by performance variance, changing developments with respect to specific holdings, changing market conditions or changing client circumstances.

Schwab maintains actual custody of client assets. The client should receive account statements from Schwab on no less than a quarterly basis. The client should review the account statements they receive from Schwab . TCI does not provide account statements.

Client Referrals and Other Compensation - Item 14

TCI engages promoters to whom it pays a portion of the advisory fees paid by clients referred to it by those promoters. Such compensation will be paid pursuant to a written agreement with the promoter. These agreements may be terminated by either party from time to time. The cost of any such fees will be borne entirely by TCI and not by any affected client. In such cases, TCI complies with the requirements of Rule 206(4)-1 under the Investment Advisers Act of 1940, and the state securities regulations in those states in which it is registered, to the extent required by applicable law.

TCI has a brokerage and clearing arrangement with Schwab for which the firm receives additional benefits from. These additional benefits are listed under Item 12 above.

Custody - Item 15

TCI's investment management clients' assets are held at an unaffiliated qualified custodian. Although TCI does not hold these assets, it is deemed to have custody for purposes of amended Rule 206(4)-2 of the Advisors Act due to the authority granted in the client's custodial agreement to deduct its management fees directly from client accounts and in certain situations where TCI accepts standing letters of authorization from clients to transfer assets to third parties. TCI maintains safeguards in accordance with regulatory requirements regarding custody of client assets. Clients will receive statements and copies of all trade confirmations directly from Schwab. We encourage clients to carefully review the statements and confirmations sent to them by their custodian.

Investment Discretion - Item 16

Clients will enter into a written trading authorization with the broker at which client's funds will be held providing TCI authorization as the client's attorney-in-fact to buy, sell, trade or otherwise dispose of financial instruments through the broker. TCI will exercise such discretion in a manner consistent with the stated investment objectives for the particular client account.

When selecting securities and determining amounts, TCI will observe the investment policies, limitations and restrictions of the clients for which it advises. TCI's authority to trade securities for registered investment companies may also be limited by certain federal securities and tax laws that require diversification of investments and favor the holding of investments once made.

Client investment guidelines and restrictions must be provided to TCI in writing. If TCI deems the guidelines and restrictions provided by client to be detrimental to TCI's ability to appropriately manage the client's selected portfolio(s) in keeping with the portfolio guidelines, TCI will discuss the issue with the client and reserves the right to terminate the client relationship.

Voting Client Securities - Item 17

As a matter of firm policy and practice, TCI does not have any authority to and does not vote proxies on behalf of advisory clients. Clients should receive their proxies or other solicitations directly from their custodian or a transfer agent. Clients retain the responsibility for receiving and voting proxies for any and all securities maintained in client portfolios. TCI may provide advice to clients regarding the clients' voting of proxies.

Financial Information - Item 18

TCI has no financial commitment that impairs its ability to meet contractual and fiduciary commitments to clients and has not been the subject of a bankruptcy proceeding. TCI does not charge more than $1,200 in fees per client, six months or more in advance.

Requirements of State-Registered Advisers - Item 19

Not applicable.