

Name of Investment Adviser:

Parker Investment Management, LLC

Address: (Number and Street)

PO Box 1088

(City)

Menlo Park

(State)

CA

(Zip Code)

94026-1088

Area Code:

Telephone Number:

650-326-0387

This part of Form ADV gives information about the investment adviser and its business for the use of clients.

The information has not been approved or verified by any governmental authority.

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(Schedules A, B, C, D, and E are included with Part I of this Form, for the use of regulatory bodies, and are not distributed to clients.)

Potential persons who are to respond to the collection of information contained in this form are not required to respond unless the form displays a currently valid OMB control number.

**FORM ADV**  
**Part II - Page 2**

Applicant:  
Parker Investment Management, LLC

SEC File Number:  
801-56045

Date:  
9/24/2010

**1. A. Advisory Services and Fees.** (check the applicable boxes)

For each type of service provided, state the approximate  
% of total advisory billings from that service.  
(See instruction below.)

Applicant:

<input checked="" type="checkbox"/> (1) Provides investment supervisory services.....	10	%
<input type="checkbox"/> (2) Manages investment advisory accounts not involving investment supervisory services.....		%
<input type="checkbox"/> (3) Furnishes investment advice through consultations not included in either service described above.....		%
<input type="checkbox"/> (4) Issues periodicals about securities by subscription.....		%
<input type="checkbox"/> (5) Issues special reports about securities not included in any service described above.....		%
<input type="checkbox"/> (6) Issues, not as part of any service described above, any charts, graphs, formulas, or other devices which clients may use to evaluate securities.....		%
<input type="checkbox"/> (7) On more than an occasional basis, furnishes advice to clients on matters not involving securities.....		%
<input checked="" type="checkbox"/> (8) Provides a timing service.....	90	%
<input type="checkbox"/> (9) Furnishes advice about securities in any manner not described above.....		%

(Percentages should be based on applicant's last fiscal year. If applicant has not completed its first fiscal year, provide estimates of advisory billings for that year and state that the percentages are estimates.)

Yes No

B. Does applicant call any of the services it checked above financial planning or some similar term?..... ☐ ☒

C. Applicant offers investment advisory services for: (check all that apply)

<input checked="" type="checkbox"/> (1) A percentage of assets under management	<input type="checkbox"/> (4) Subscription fees
<input type="checkbox"/> (2) Hourly charges	<input type="checkbox"/> (5) Commissions
<input type="checkbox"/> (3) Fixed fees (not including subscription fees)	<input checked="" type="checkbox"/> (6) Other

D. For each checked box in A above, describe on Schedule F:

- the services provided, including the name of any publication or report issued by the adviser on a subscription basis or for a fee
- applicant's basic fee schedule, how fees are charged and whether its fees are negotiable
- when compensation is payable, and if compensation is payable before service is provided, how a client may get a refund or may terminate an investment advisory contract before its expiration date

**2. Types of Clients** — Applicant generally provides investment advice to: (check those that apply)

<input checked="" type="checkbox"/> A. Individuals	<input checked="" type="checkbox"/> E. Trusts, estates, or charitable organizations
<input type="checkbox"/> B. Banks or thrift institutions	<input checked="" type="checkbox"/> F. Corporations or business entities other than those listed above
<input type="checkbox"/> C. Investment companies	<input type="checkbox"/> G. Other (describe on Schedule F)
<input checked="" type="checkbox"/> D. Pension and profit sharing plans	

**FORM ADV**  
**Part II - Page 3**Applicant:  
Parker Investment Management, LLCSEC File Number:  
801-56045Date:  
9/24/2010**3. Types of Investments.** Applicant offers advice on the following: (check those that apply)

- |  |   |
|--|---|
| <input checked="" type="checkbox"/> A. Equity Securities                               | <input type="checkbox"/> H. Unites States government securities     |
| <input checked="" type="checkbox"/> (1) exchange-listed securities                     | <input type="checkbox"/> I. Options contracts on:                   |
| <input checked="" type="checkbox"/> (2) Securities traded over-the-counter             | <input type="checkbox"/> (1) securities                             |
| <input type="checkbox"/> (3) foreign issuers   | <input type="checkbox"/> (2) commodities                            |
| <input type="checkbox"/> B. Warrants   | <input type="checkbox"/> J. Futures contracts on:                   |
| <input type="checkbox"/> C. Corporate debt securities<br>(other than commercial paper) | <input type="checkbox"/> (1) tangibles                              |
| <input type="checkbox"/> D. Commercial paper   | <input type="checkbox"/> (2) intangibles                            |
| <input type="checkbox"/> E. Certificates of deposit                                    | <input type="checkbox"/> K. Interests in partnerships investing in: |
| <input type="checkbox"/> F. Municipal securities                                       | <input type="checkbox"/> (1) real estate                            |
| <input type="checkbox"/> G. Investment company securities                              | <input type="checkbox"/> (2) oil and gas interests                  |
| <input type="checkbox"/> (1) variable life insurance                                   | <input type="checkbox"/> (3) other (explain on Schedule F)          |
| <input checked="" type="checkbox"/> (2) variable annuities                             | <input type="checkbox"/> L. Other (explain on Schedule F)           |
| <input checked="" type="checkbox"/> (3) mutual fund shares                             |   |

**4. Methods of Analysis, Sources of Information, and Investment Strategies.**

## A. Applicant's security analysis methods include: (check those that apply)

- |   |   |
|---|---|
| (1) <input checked="" type="checkbox"/> Charting  | (4) <input type="checkbox"/> Cyclical                                 |
| (2) <input type="checkbox"/> Fundamental          | (5) <input checked="" type="checkbox"/> Other (explain on Schedule F) |
| (3) <input checked="" type="checkbox"/> Technical |   |

## B. The main sources of information applicant uses include: (check those that apply)

- |   |   |
|---|---|
| (1) <input checked="" type="checkbox"/> Financial newspapers and magazines    | (5) <input checked="" type="checkbox"/> Timing services   |
| (2) <input type="checkbox"/> Inspections of corporate activities              | (6) <input type="checkbox"/> Annual reports, prospectuses, filings with the<br>Securities and Exchange Commission |
| (3) <input checked="" type="checkbox"/> Research materials prepared by others | (7) <input type="checkbox"/> Company press releases   |
| (4) <input type="checkbox"/> Corporate rating services                        | (8) <input type="checkbox"/> Other (explain on Schedule F)  |

## C. The investment strategies used to implement any investment advice given to clients include: (check those that apply)

- |  |  |
|--|--|
| (1) <input checked="" type="checkbox"/> Long term purchases<br>(securities held at least a year) | (5) <input checked="" type="checkbox"/> Margin transactions  |
| (2) <input checked="" type="checkbox"/> Short term purchases<br>(securities sold within a year)  | (6) <input type="checkbox"/> Option writing, including covered options,<br>uncovered options or spreading strategies |
| (3) <input checked="" type="checkbox"/> Trading (securities sold within 30 days)                 | (7) <input type="checkbox"/> Other (explain on Schedule F)   |
| (4) <input type="checkbox"/> Short sales   |  |

**FORM ADV**  
**Part II - Page 4**

Applicant:  
Parker Investment Management, LLC

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9/24/2010

**5. Education and Business Standards.**

Are there any general standards of education or business experience that applicant requires of those involved in determining or giving investment advice to clients? ..... Yes No  
[x] [ ]

(If yes, describe these standards on Schedule F.)

**6. Education and Business Background.**

For:

- each member of the investment committee or group that determines general investment advice to be given to clients, or
- if the applicant has no investment committee or group, each individual who determines general investment advice given to clients (if more than five, respond only for their supervisors)
- each principal executive officer of applicant or each person with similar status or performing similar functions.

On Schedule F, give the:

- name
- formal education after high school
- year of birth
- business background for the preceding five years

**7. Other Business Activities.** (check those that apply)

- ☐ A. Applicant is actively engaged in a business other than giving investment advice.
- ☐ B. Applicant sells products or services other than investment advice to clients.
- ☐ C. The principal business of applicant or its principal executive officers involves something other than providing investment advice.

(For each checked box describe the other activities, including the time spent on them, on Schedule F.)

**8. Other Financial Industry Activities or Affiliations.** (check those that apply)

- ☐ A. Applicant is registered (or has an application pending) as a securities broker-dealer.
- ☐ B. Applicant is registered (or has an application pending) as a futures commission merchant, commodity pool operator or commodity trading adviser.
- C. Applicant has arrangements that are material to its advisory business or its clients with a related person who is a:
- |  |  |
|--|--|
| <input type="checkbox"/> (1) broker-dealer   | <input type="checkbox"/> (7) accounting firm                                       |
| <input type="checkbox"/> (2) investment company  | <input type="checkbox"/> (8) law firm  |
| <input type="checkbox"/> (3) other investment adviser  | <input type="checkbox"/> (9) insurance company or agency                           |
| <input type="checkbox"/> (4) financial planning firm   | <input type="checkbox"/> (10) pension consultant                                   |
| <input type="checkbox"/> (5) commodity pool operator, commodity trading adviser or futures commission merchant | <input type="checkbox"/> (11) real estate broker or dealer                         |
| <input type="checkbox"/> (6) banking or thrift institution   | <input type="checkbox"/> (12) entity that creates or packages limited partnerships |

(For each checked box in C, on Schedule F identify the related person and describe the relationship and the arrangements.)

- D. Is applicant or a related person a general partner in any partnership in which clients are solicited to invest?..... Yes No  
[ ] [x]

(If yes, describe on Schedule F the partnerships and what they invest in.)

**FORM ADV**  
**Part II - Page 5**

Applicant:  
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801-56045

Date:  
9/24/2010

**9. Participation or Interest in client Transactions.** (check those that apply)

Applicant or a related person:

- ☐ A. As principal, buys securities for itself from or sells securities it owns to any client.
- ☐ B. As broker or agent effects securities transactions for compensation for any client.
- ☐ C. As broker or agent for any person other than a client effects transactions in which client securities are sold to or bought from a brokerage customer.
- ☐ D. Recommends to clients that they buy or sell securities or investment products in which the applicant or a related person has some financial interest.
- ☒ E. Buys or sells for itself securities that it also recommends to clients.

(For each box checked, describe on Schedule F when the applicant or a related person engages in these transactions and what restrictions, internal procedures, or disclosures are used for conflicts of interest in those transactions.)

Describe, on Schedule F, your code of ethics, and stat that you will provide a copy of your code of ethics to any client or prospective client upon request.

**10. Conditions for Managing Accounts.** Does the applicant provide investment supervisory services, manage investment advisory accounts or hold itself out as providing financial planning or some similarly termed services *and* impose a minimum dollar value of assets or other conditions for starting or maintaining an account? ..... ☐ Yes ☒ No

(If yes, describe on Schedule F.)

**11. Review of Accounts.** If applicant provides investment supervisory services, manages investment advisory accounts, or holds itself out as providing financial planning or some similarly termed services:

- A. See Schedule F for details
- B. See Schedule F for details

**12. Investment or Brokerage Discretion.**

A. Does applicant or any related person have authority to determine, without obtaining specific client consent, the:

- |   |                                     |                                     |
|---|-------------------------------------|-------------------------------------|
| (1) securities to be bought or sold?.....               | Yes                                 | No                                  |
|   | <input checked="" type="checkbox"/> | <input type="checkbox"/>            |
| (2) amount of the securities to be bought or sold?..... | Yes                                 | No                                  |
|   | <input checked="" type="checkbox"/> | <input type="checkbox"/>            |
| (3) broker or dealer to be used?.....                   | Yes                                 | No                                  |
|   | <input type="checkbox"/>            | <input checked="" type="checkbox"/> |
| (4) commission rates paid?.....                         | Yes                                 | No                                  |
|   | <input type="checkbox"/>            | <input checked="" type="checkbox"/> |

B. Does applicant or a related person suggest brokers to clients?.....

	Yes	No
	<input type="checkbox"/>	<input checked="" type="checkbox"/>

For each yes answer to A describe on Schedule F any limitations on the authority. For each yes to A(3), A(4) Or B, describe on Schedule F the factors considered in selecting brokers and determining the reasonableness Of their commissions. If the value of products, research and services given to the applicant or a related person is a factor, describe:

- the products, research and services
- whether clients may pay commissions higher than those obtainable from other brokers in return for those products and services
- whether research is used to service all of applicant's accounts or just those accounts paying for it; and
- any procedures the applicant used during the last fiscal year to direct client transactions to a particular broker in return for products and research services received.

**13. Additional Compensation.**

Does the applicant or a related person have any arrangements, oral or in writing, where it:

- |  |                          |                                     |
|--|--------------------------|-------------------------------------|
| A. is paid cash by or receives some economic benefit (including commissions, equipment or non-research services) from a non-client in connection with giving advice to clients?..... | Yes                      | No                                  |
|  | <input type="checkbox"/> | <input checked="" type="checkbox"/> |
| B. directly or indirectly compensates any person for client referrals?.....  | Yes                      | No                                  |
|  | <input type="checkbox"/> | <input checked="" type="checkbox"/> |

(For each yes, describe the arrangements on Schedule F.)

**14. Balance Sheet.** Applicant must provide a balance sheet for the most recent fiscal year on Schedule G if applicant:

- has custody of client funds or securities (unless applicant is registered or registering with the Securities and Exchange Commission); or
- requires prepayment of more than \$500 in fees per client and 6 or more months in advance

Has applicant provided a Schedule G balance sheet?.....	Yes	No
	<input type="checkbox"/>	<input checked="" type="checkbox"/>

**Schedule F of  
Form ADV  
Continuation Sheet for Form ADV Part II**

Applicant:	SEC File Number:	Date:
Parker Investment Management, LLC	801-56045	9/24/2010

(Do not use this Schedule as a continuation sheet for Form ADV Part I or any other schedules.)

1. Full name of applicant exactly as stated in Item 1A of Part I of Form ADV: John Wayne Parker	IRS Empl. Ident. No.: 27-2564869
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**Item of Form**

Answer

**Item 1. A. (1)**

Our services involve the placing of orders for the trading of a client's securities as market conditions and timing dictate. A client who wishes to use our services is first advised of the inherent risks in investing. A client then executes an Investment Advisory Agreement with us and opens an investment account(s) at Fidelity Investments in the name of the client only. The client also gives us Trading Authorization which provides us with authorization to place buy and/or sell orders of securities in a client's account. Fidelity, not us, is responsible for executing all securities trades.

We help open accounts for the client at Fidelity Investments, which acts as the custodian of the client's assets and provides the client monthly statements and all year-end tax reporting detail. The client authorizes us to trade within the client's accounts, but we never have custody of the client's assets, nor are the client's assets co-mingled with any other investor's assets. We are free to choose from thousands of mutual funds, exchange-traded funds, and individual stocks, and we have absolutely no requirements to purchase any \_branded\_ Fidelity mutual funds. There are no fees for opening or maintaining accounts, but Fidelity currently charges a \$75.00 fee for closing an account.

The better performing mutual funds within the broad asset classes we select as part of our "core strategy" usually have short-term redemption fees to discourage frequent trading (which increases fund overhead and distracts the fund management from focusing on growing the fund for its shareholders). As part of our "core strategy" (as summarized in Section 4.A.5), we plan to hold these types of mutual funds we buy for the client for at least these minimum periods, unless changing market conditions indicate the need to sell. It is important for the client to know that any short-term redemption fees that might occur (and we generally try to avoid them) are NOT paid to us. We sometimes choose to buy a different class of a mutual fund which has a \$35.00 buy and a \$35.00 sell fee if: (a) that class of the mutual fund has a lower internal fund expense ratio than the class which has no buy nor sell fees; AND (b) the anticipated savings, based on our expectation of how long we will hold that fund, from the lower internal fund expense ratio will be greater than the combined buy and sell fee. Except for this difference in the class of the mutual fund, most of the funds we trade have absolutely no trading fees once the minimum holding period has been met.

Our "near-term strategy" (as summarized in Section 4.A.5) generally uses: (a) the Rydex and Profunds families of mutual funds, which have no trading fees and which offer both \_long\_

and \_short\_ market index and market sector funds as well as some non-equity-based funds; or (b) exchange-traded funds.

Holdings within each client account are allocated among: (a) our \_core strategy\_, (b) our \_near-term strategy\_, and (c) money market funds. All holdings in the client accounts are publicly-traded.

If we choose to buy an individual equity or an exchange-traded fund ("ETF") as part of either our "core strategy" or our "near-term strategy", Fidelity currently charges \$7.95 for the first 10,000 shares bought or sold for clients whose accounts are set up for electronic delivery of monthly statements, trade confirmations, proxies, and legal reports. For those clients whose accounts are not set up for such electronic delivery, Fidelity currently charges \$8.00 for the first 3,000 shares of an individual equity or ETF bought or sold for clients whose total invested with us is at least \$1,000,000 and \$17.95 for the first 1,000 shares bought or sold for clients whose total invested with us is less than \$1,000,000. None of these fees is paid to us, and we have no requirement to place any amount of any such trades. While it is true that there are some custodians which may charge less for these types of trades, we have chosen Fidelity Investments as the custodian and trading platform for the following reasons: (a) there are no fees for opening or maintaining accounts; (b) there are no fees for buying or selling no-load mutual funds as part of our "core strategy" provided that these funds are held for their minimum holding period (as described above); (c) Fidelity provides one-day settlement (e.g. the funds from a sale are available in the account on the next market day) on the sale of all mutual funds; (d) Fidelity provides excellent on-line access at no charge for clients to monitor account activity and to get duplicate copies of recent monthly, year-end, and tax-reporting statements; (e) Fidelity provides the client with the year-end information that is both necessary for tax reporting and is complete and relatively easy to use; (f) Fidelity provides us, the advisor, trading execution software, electronic detailed snapshots and trading history of all accounts, electronic trade confirmations of all trades placed, electronic monthly and year-end statements for all accounts, and a full range of back-office support staff and functions, all such services provided at no cost to either the client or to us; and (g) working with one custodian and trading platform simplifies and reduces the chance of error in our advisory functions.

The client can deposit moneys and/or existing securities any time the client wants to, provided that in a retirement account the client's deposits are consistent with the regulations governing that account. The client does not need to notify us in advance if making a deposit of cash, although we prefer that the client does. We will generally be aware of deposits made before 1:00p by the following business morning, well in time to invest. (Deposits made after 1:00p aren't generally "seen" until two market mornings after the client makes the deposit.) There is no holding period for investing placed on any checks the client deposits, so there is never a need for certified or cashier's checks. The client can also mail us a check to deposit it for the client, with the check made payable to either: (a) one of the names in the account registration; OR (b) "Fidelity Investments" followed by the client's account number. We can NEVER accept either cash or any check that has been made payable to us with directions to deposit for the client. For depositing stocks and/or mutual funds that are held in another account (either by Fidelity or by another custodian), the simplest method is to have us prepare the necessary custodian-to-custodian transfer paperwork for the client. For depositing stock or mutual fund



certificates that the client holds directly, please contact us for the methods the client has to deposit them.

There are significant state and federal rules governing the withdrawal of funds from a retirement account, and it is essential that the client consults a tax advisor before making any such withdrawals. However, a direct transfer of assets from custodian to custodian between retirement accounts of like registration is allowed without any tax consequence provided that that direct transfer is done in accordance with the rules of the custodians.

The assets in the client's accounts are liquid and can be sold on any market day. However, there are four limitations in non-retirement accounts that are essential for the client to be aware of before requesting that assets be sold.

- First, the client should not treat this account as a "checking account". We try to discourage ANY deposits for moneys that the client KNOWS will be needed sooner than 12 months (and preferably longer). The market goes up, the market goes down, and sometimes the market goes down before the market goes up.

- Second, if we sell a position in a non-retirement account with an "unrealized gain" (e.g. it's gone up in value since we bought it), then the gain is "realized" and this becomes a taxable event for the client. The client pays ordinary tax rate on the gain from assets sold sooner than one year from the date of purchase and, for the federal tax return, a lower long-term rate on the gain for assets held longer than one year, so we prefer to try to hold assets longer than one year **PROVIDED THAT IT MAKES GOOD INVESTMENT SENSE TO CONTINUE TO HOLD THEM**. We recommend that the client consult a tax advisor for how this would affect individual circumstances.

- Third, most of the better-performing mutual funds we purchase have a minimum holding period of at least ninety (90) days, some 180, and a few even longer. This is consistent with our "core strategy" and is inconsistent with frequent unplanned client withdrawals.

- Fourth, we generally need five (5) business days notice in order to sell and wait for the funds from the sale to "settle" (e.g. become available in the client's account).

In non-retirement accounts, where previously authorized by the client, we can request that: (i) a check be mailed payable to the client at the client's address of record, (ii) funds can be wired to the client's bank account of matching registration, subject to wire fees charged both by Fidelity and the client's bank, (iii) funds can be transferred by electric funds transfer to the client's bank account of matching registration without any fees provided that the transfer instructions have been previously established, or (iv) funds can be transferred directly to another account of like registration.

All account statements, trade confirmations, year-end tax reporting documents, proxies, periodic reports, and other required notices are sent directly by Fidelity to the client.

We place orders for clients' securities trades based on our analysis of market conditions and

based on our understanding of the client's investment objectives. We carefully advise each client of the risk of investing, and we make investment decisions based on the risk tolerance of the client, tax consequences and minimum size of trade, as well as the performance of a particular mutual fund or security.

A number of our clients are our personal acquaintances and family members.

The client answers three (3) questions to determine which Billing Method the client is eligible to choose (Assets Based Method or Gains Based Method). Question #1 is whether or not the client's net worth is at least \$1.5 million; Question #2 is whether or not the client's assets under our management are at least \$750 thousand; and Question #3 is whether or not the client is a U.S. resident. For those clients with a net worth of at least \$1.5 million, OR at least \$750,000 under our management, OR who are not U.S. residents, then the client may choose either the Assets Based Method or the Gains Based Method of calculating our advisor fees. For all other clients, the Assets Based Method is used. Clients may change the Billing Method for a future calendar quarter by signing our then-current Investment Management Agreement, provided that their answers to the three questions allows such a change.

The Management Fee will be calculated as of the Fee Determination Date (as defined below) after each calendar quarter has ended and will be calculated separately for each account within the Portfolio. We will send the client a bill for each quarter for the Management Fee. The client will have the option to pay the Management Fee either: (i) by direct payment to us; OR (ii) by authorizing us to deduct the Management Fee from its corresponding account(s); OR (iii) by instructing us to deduct the Management Fee for one or more of the client's retirement accounts from the client's non-retirement account under our management. If we have not received the client's direct payment within thirty (30) days after we mail the client's bill for the Management Fee, then we may deduct the Management Fee from the client's corresponding account(s) without separate authorization from the client. We will promptly notify the client in writing of any Management Fee that we have deducted from the client's account(s). Any Management Fees that are deducted from the client's account are treated as a client withdrawal when calculating future Management Fees.

Here are some definitions used in both Assets Based Method and Gains Based Method.

\* Market Value of a security is equal to the number of shares multiplied by the price per share at the close of trading on the day that security is valued.

\* Account Market Value is equal to the sum of the Market Value of each and every security in the account.

\* Account Net Value is equal to the Account Market Value plus any accrued but not-yet-paid dividends minus margin debt (if applicable).

\* Deposits are defined as additional monies or securities added to the account by Client. Deposits exclude any monies generated from the securities within the Portfolio, including dividends, interest, and capital gain distributions.

\* Withdrawals are defined as: (i) any monies or securities withdrawn from the account by Client including any associated wire or overnight-check-mailing fees; OR (ii) any transfers from the account to another account as authorized by Client; OR (iii) any government taxes withheld; OR (iv) any Management Fees deducted. Withdrawals exclude charges arising from

trading within the account, including transaction fees and early redemption fees (if any), and from margin interest (if any).

\* \_Fee Determination Date\_ is equal to the last date of a calendar quarter (March 31, June 30, September 30, or December 31) or the date when Advisor ends management of the account.

Here is how we calculate the Management Fee using the Assets Based Method:

\* \_Assets Based Fee Rate\_ is equal to thirty-five one-hundredths of one percent (0.35%) per quarter; annual rate is one and four-tenths percent (1.4%).

\* \_Assets Based Management Fee\_ is equal to the Account Net Value on the Fee Determination Date times the Assets Based Fee Rate, adjusted for each Deposit and Withdrawal during the calendar quarter. The adjustments are calculated as follows:

- A Deposit made during the calendar quarter is included in the Account Net Value but was not under management for the entire quarter. To adjust for the days that Deposit was not under management, Advisor will reduce the Assets Based Management Fee proportionately by subtracting an amount equal to the Deposit times the Assets Based Fee Rate times the percent of the quarter (calculated using calendar days) that that Deposit was not under management..

- A Withdrawal made during the calendar quarter is not included in the Account Net Value but was under management for part of the calendar quarter. To adjust for the days that Withdrawal was under management, Advisor will increase the Assets Based Management Fee proportionately by adding an amount equal to the Withdrawal times the Assets Based Fee Rate times the percent of the quarter (calculated using calendar days) that that Withdrawal was under management.

Here is how we calculate the Management Fee using the Gains Based Method:

\* \_High-Water Mark Billing Value\_ is equal to Account Net Value on the most recent Fee Determination Date when a Gains Based Fee, as defined below, was charged.

- For a new Account, the initial High-Water Mark Billing Value is equal to Account Net Value on the date when Advisor begins management of the Account.

- For an Account that has been previously charged a Gains Based Management Fee by Advisor's former company John W Parker Investment Management (\_JWPIM\_), the initial High-Water Mark Billing Value is equal to Account Net Value on the ending date of the most recent billing period when JWPIM charged a Management Fee.

- For an Account that Client changes from Assets Based Method to Gains Based Method, the initial High-Water Mark Billing Value will be the Account Net Value on the effective date of the change.

\* \_High-Water Mark Billing Date\_ is defined as the calendar date of the High-Water Mark Billing Value.

\* \_Change in Net Value Since High-Water Mark Billing Value\_ is equal to Account Net Value on Fee Determination Date minus High-Water Mark Billing Value.

\* \_Client Changes to Net Value Since Billing Date\_ is equal to the total Deposits and Withdrawals since High-Water Mark Billing Date. This will be a positive number if there have been more Deposits than Withdrawals, and negative if vice-versa.

\* \_Account Profit Since High-Water Mark Billing Value\_ is the Change in Net Value Since High-Water Mark Billing Value minus Client Changes to Net Value Since Billing Date.

\* The Management Fee using the Gains Based Method will be the larger of Minimum Fee or Gains Based Fee, as defined below:

- Minimum Fee Rate is one-eighth of one percent (0.125%) per quarter; annual rate is one-half of one percent (0.5%).
- Minimum Fee is calculated in the same way as Assets Based Management Fee except using Minimum Fee Rate instead of Assets Based Fee Rate.
- Gains Based Fee Rate is ten percent (10%) and is only applied to the account profit since last billed not to the account value.
- Gains Based Fee is equal to Account Profit Since High-Water Mark Billing Value times Gains Based Fee Rate less total Minimum Fees (if any) since High-Water Mark Billing Date.
- If Gains Based Fee is larger than Minimum Fee (and therefore used for Management Fee), then for future Management Fee calculations, High-Water Mark Billing Value is updated to Account Net Value on Fee Determination Date and High-Water Mark Billing Date is updated to Fee Determination Date

We do not show any preference in making investment decisions toward accounts of either billing method .

We do not bill for prepayment of any fees. No refunds for Management Fees previously billed will be provided by us to the client except in the case of error. There are no other charges by us to the client.

A client may terminate his/her relationship with us at any time by notifying us. We will provide the client with a bill for investment advisory service fees for the partial period beginning with the date of the previous bill until the date of termination. If the client is being billed according to method 1), above, and there has been no appreciation since the previous bill, after adjusting for the client's deposits and withdrawals, then no bill will be due from the client nor any refund due from us, except in the case of error.

Upon the client's notice to terminate our management of his/her account and upon the client's request, we will sell some or all of the mutual funds in the account that will not incur any short-term redemption fees. The mutual funds we purchase in the client accounts may have policies which will exclude further purchases by an investment advisor that incurs short-term redemption fees too often. Therefore, in order to continue to be allowed to purchase these mutual funds for our other clients we may, at our sole discretion, remove our name as the advisor from the client account and then have the client sell any remaining mutual funds that would incur short-term redemption fees. It will generally take three (3) market days from the time that the client provides notice to terminate our management until our name as the advisor is removed from the client account.

Item 1. A. (8)  
See 1. A. (1)

Item 4. A. (5)

Our "core strategy" is to identify broad asset classes that we believe will outperform market averages for months (and sometimes years) and then to select the best-performing no-load mutual funds within those asset classes. We concentrate our investments in these mutual funds. We avoid formulaic asset balancing because that strategy tends to return only market averages. We have developed our own sophisticated software that allows us to make trading decisions for all our accounts based on the attributes of the particular positions within each account, such as a position's percentage of the account, its length of time held, and the taxable/non-taxable status of the account. While we primarily buy mutual funds, we sometimes buy individual stocks and exchange-traded funds.

Our "near-term strategy" is to identify investment opportunities that we believe will be profitable for shorter periods than months, ranging from same-day trading to holding for several weeks. We generally use: (a) the Rydex and Profunds families of mutual funds, which have no trading fees and which offer both long and short market index and market sector funds as well as some non-equity-based funds; or (b) exchange-traded funds.

Our client accounts are allocated among: (a) our core strategy, (b) our near-term strategy, and (c) money market funds. All holdings in our accounts are publicly-traded.

Account performance varies from account to account, depending on such factors as when moneys were deposited or withdrawn, and whether the account is a retirement or a non-retirement account. For example, in retirement accounts we do not have tax considerations such as short-term vs. long-term gains and the tax efficiency of the transaction.

We encourage our clients to invest with a \_long-term\_ view of at least several years, avoiding the urge to get out of the market when it is down and then get back in when it is up. Throughout the market's history, there have always been crises in the world, and we encourage the client to let us navigate the client's account through the inevitable ups and downs. As the client's financial advisor, we will do our best to grow the client's account, but please realize that there are inherent risks in all investing, and it is possible that the client's account(s) may incur substantial losses.

Item 5.

Mr. John Parker is the sole person who determines general investment advice to be given to clients. (See Item 6 for John Parker's education and business experience.)

Selected personnel under Mr. Parker's supervision communicate this general investment advice. All trading decisions are made by Mr. Parker.

Item 6.

John Parker is only individual who determines general investment advice to be given to clients.

Registrant: John W. Parker

Year of birth: 1944

Formal education: BA, Yale University, 1974

In 1996 Mr. Parker began providing computer/market timing services to clients on a full-time basis in exchange for a discretionary fee. From 1987 through 1995, Mr. Parker was providing these services on a part-time basis.

**Item 9. Code of Ethics**

Our Code of Ethics is based on the principle that "we", which throughout this Statement of Ethics shall refer to the investment advisor and all its employees and subcontractors), owe a fiduciary duty to "you", our clients, for which we serve as an advisor. Accordingly, we must avoid activities, interests and relationships that might interfere or appear to interfere with making decisions in the best interests of our advisory clients. At all times, we must:

Place the interests of our Advisory Clients first:

As a fiduciary, we must avoid serving our personal interests ahead of the interests of our advisory clients. We may not cause an advisory client to take action, or not to take action, for our personal benefit rather than the benefit of the advisory client.

Conduct all of our personal securities transactions in full compliance with this Code:

We encourage our staff and their families to develop personal investment programs. However, we must not take any action in connection with our personal investments that could cause even the appearance of unfairness or impropriety. Accordingly, we must comply with the policies and procedures set forth in this Code under the heading of Personal Securities Transactions.

Avoid taking inappropriate advantage of our position:

The receipt of investment opportunities, gifts or gratuities from persons seeking business with us directly or on behalf of an advisory client could call into question the independence of our business judgment. Accordingly, we must comply with the policies and procedures set forth in this Code under the heading Fiduciary Duty to Clients.

Fiduciary Duty to Clients:

Investment Advisors are subject to Section 206 of the Act which makes it unlawful for an advisor to engage in fraudulent, manipulative or deceptive conduct. The intent is to eliminate conflicts of interest and to prevent an advisor from taking advantage of a client's trust. Pages 19 and 20 of the SEC Inspection Manual describes an advisor's fiduciary responsibility as:

"The Adviser's Act does not require a transaction to have occurred for actionable fraud to have been committed. An investment adviser is a fiduciary who owes his clients undivided loyalty, and is prohibited from engaging in activity in conflict with the interest of any client. A breach of an adviser's fiduciary obligations constitutes a violation of the anti-fraud provisions of the Adviser's Act. This fiduciary obligation imposes on an adviser a duty to deal fairly and act in the best interest of its clients. Such duty imposes upon an investment adviser numerous responsibilities including the duty to render disinterested and impartial advice; to make suitable recommendations to clients in light of their needs, financial circumstances and investment objectives; to exercise a high degree of care to insure that adequate and accurate representations and other information about securities are presented to clients; and, to have an adequate basis in fact for its recommendations, representations and projections."

The following are specific fiduciary obligations an Advisor has with regard to its clients:

- Best execution for client transactions;
- Suitability of advice for each client;
- Loyalty to client;
- Refraining from personal transactions that are inconsistent with client interests;
- Responsibility for providing reasonable, independent advice to clients.



#### Gifts:

We may not accept any investment opportunity, gift, gratuity, or other thing of more than nominal value, from any person or entity that conducts business with or intends to do business with us directly or indirectly, on behalf of clients. Gifts from a single giver may be accepted so long as the aggregate annual value does not exceed \$100.00. We may also attend business meals, sporting and other entertainment events, so long as the expense is reasonable and both we and the giver are in attendance.

#### Personal Securities Transactions:

We are required to maintain a record of securities transactions executed in our personal accounts and in the accounts of dependents (i.e. spouses, children and others who are financial dependents of the advisor or advisory personnel). The purpose of this requirement is to provide the regulators with information that could detect abusive and potentially abusive trading practices. The following information must be recorded:

- Name of advisory individual or advisory firm;
- Name of security;
- Total amount purchased or sold;
- Price per share;
- Name of executing broker-dealer;
- Date of transaction;
- Whether it was a buy or sell

This information must be recorded within ten (10) days of the end of each calendar quarter. We will comply with the requirement by: (a) in personal accounts that are held by Fidelity Investments (or any other custodian) under our advisor number and for which duplicate statements are sent to us, then this information shall be deemed to have been recorded and no additional information shall need to be supplied to us; OR (b) for all other personal accounts for which such record is required, posting a **RECORD OF PERSONAL SECURITIES TRANSACTIONS**.

Additionally all our personnel are required to notify us in writing, of all personal securities accounts maintained at broker-dealers for themselves and their dependents. We will request duplicate statements, detailing all trading activity, of the broker-dealers, and receipt on a regular basis and within ten (10) days after the end of each calendar quarter shall constitute record keeping under subclause (b) above.

The following are exempt from the reporting requirement:

- Commodities;
- Futures;
- Options traded on a commodities exchange, including currency futures;
- Securities issued by the US government;

- Bankers\_ acceptances, bank certificates of deposit, commercial paper, bank repurchase agreements;
- Shares of open-end mutual funds

#### Insider Trading:

Investment advisors and their advisory personnel may not trade for themselves or on behalf of others on the basis of material non-public information. They may also not communicate material non-public information to others. This conduct is called insider trading. Insider trading refers to the use of material non-public information to trade in securities or to communicate material non-public information to others in breach of a fiduciary duty.

The policy applies to each of our employees, as well as to any transactions in any securities participated in by family members, trusts or corporations controlled by such persons.

Trading on inside information becomes a basis for liability if the information is material. Material information generally is considered information for which there is a likelihood that a reasonable investor would consider it important in making an investment decision, or the information is certain to have an effect on the price of a company\_s securities. Information is likely to be material if it relates to significant changes in the following:

- Increases or decreases in dividends;
- Stock splits and stock dividends;
- Financial forecasts or results (especially profits or losses);
- Significant changes in operations;
- Top management or control changes;
- Significant contracts awarded or canceled;
- Proposed takeovers or mergers; or
- Financial liquidity problems.

In order for issues concerning insider trading to arise, information must not only be material, it must be non-public. Non-public information is information that has not been made available generally to investors. Once the information has been distributed to the investing public, it is no longer subject to insider trading restrictions.

Before trading, our personnel must ask themselves the following questions:

1. Is this information that an investor would consider important in making an investment decision? Is this information that could affect the marked price of the securities if disclosed?
2. To whom has the information been provided? Has the information been communicated to the marketplace by being published in publications with general circulation?

Our personnel unsure of whether or not the information they have received is material non-public information should take the following steps:

1. Report the matter immediately to the CCO;
2. Do not effect any transactions in the security on behalf of themselves or others;
3. Do not communicate the information inside or outside of our firm, other than to the CCO

In order to detect and prevent trading based on inside information, our personnel will be required to follow the following procedures:

1. All our employees will be required to notify the CCO in writing, of all securities holdings maintained in personal accounts and in the accounts of dependents (in the form of a completed Personal Securities Holdings Form, as specified above);
2. All our employees will be required to request of their executing broker-dealers, duplicate confirmations and statements to be sent to us, as specified above;
3. Because of inadvertent disclosure of material non-public information to others, our employees should not discuss potential material non-public information except as specifically required in the performance of their duties.

Item 9. E.

Mr. Parker buys and sells in his own accounts securities that are bought and sold for the clients. All mutual funds that Mr. Parker buys and sells in his own accounts are priced identically to any buys and sells in the client accounts. Mr. Parker generally, but not always, buys and sells stocks and exchange-traded funds using block transactions that provide the same price for any buys or sells in all accounts within that trading day.

Mr. Parker receives no commissions or any other compensation or special pricing for buying and selling securities within the clients' accounts.

Item 11. A.

Mr. Parker generally reviews the clients' holdings on a daily basis. Factors which may trigger a more detailed level of review include changes in the market, tax consequences, size of trade, market sectors, information about certain securities, and conversations with the clients. The review process is performed by Mr. Parker only.

Item 11. B.

The clients receive monthly statements from Fidelity Investments (where they open their account in their own names). The statements show all trades made in the client's account, the securities positions, and the account value. The clients are able to obtain information about their accounts directly from Fidelity through Fidelity's website.

Item 12. A. (1)

Mr. Parker has full authority to make all buy and sell decisions without consulting the client. The client may instruct Mr. Parker to maintain a specified amount of an account in money market funds or other specific limitations, with such instructions to be agreed to by us and generally confirmed by e-mail. The client understands that we may not be able to promptly respond to any changes in such instructions.

Item 12. A. (2)

See item 12 .A.(1)