

**Form ADV, Part 2A**

**Firm Brochure**

March 31, 2011

**Turk Capital Management, Inc.**

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This brochure provides information about the qualifications and business practices of Turk Capital Management, Inc. If you have any questions about the contents of this brochure, please contact as indicated above. The information in this brochure has not been approved or verified by the United States Securities and Exchange Commission or by any state securities authority.

Additional information about Turk Capital Management, Inc. is available on the SEC's website at [www.adviserinfo.sec.gov](http://www.adviserinfo.sec.gov).

**Item 2    Material Changes**

This item is only applicable when TCM makes material changes to this brochure.

At this time there are no material changes to report.

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#### **Item 4 Advisory Business**

Turk Capital Management, Inc. (TCM) is an independent firm whose only business has been managing assets from Northern Virginia offices since being founded in 1997. TCM is the successor to the investment advisory firm Turk Investment Counsel founded by Gregg H. Turk as a sole proprietorship in 1985. TCM is wholly-owned by Gregg H. Turk, the sole portfolio manager.

TCM only manages assets on a discretionary basis, which means investment decisions are made without getting clients' prior permission. TCM exclusively utilizes an investment style known commonly as value investing—selecting stocks believed undervalued and holding them for a long time. Portfolios typically contain highly concentrated positions in large capitalization stocks that are purchased and held for long-term appreciation and dividend income. Clients may impose certain restrictions be placed on their investments.

As of February 28, 2011, TCM had \$35.4 million client assets under management.

#### **Item 5 Fees and Compensation**

TCM charges a non-negotiable investment advisory fee at an annual rate of 1% based on the market value of the client's assets under management. Fees are directly debited from client accounts at their instruction, in arrears, after each quarter. Fees are prorated for partial periods of management. Certain circumstances may lead TCM, solely at its discretion, to modify these arrangements in agreement with a client.

No additional fees shall accrue to TCM resulting from its service. Clients are subject to other expenses such as brokerage commissions. Client assets may be invested in money market mutual funds or other registered investment companies. In these cases, the client bears its pro rata share of the investment management fee and other fees of the fund in which the assets are invested. Please refer to Item 12 for a discussion of TCM brokerage practices.

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

TCM does not charge a performance-based fee.

## **Item 7    Types of Clients**

TCM's clients consist primarily of high net worth individuals. At present, Fidelity Investments handles all custody and brokerage functions. The minimum size for a new account is \$500,000. At the discretion of TCM, accounts of lesser amounts may be accepted.

## **Item 8    Methods of Analysis, Investment Strategies and Risk of Loss**

TCM uses fundamental analysis to evaluate securities it believes to be undervalued utilizing an investment style commonly known as value investing. Value investing seeks to identify companies that trade at a significant discount to a conservative estimate of their true or intrinsic value. Reasonable estimates of intrinsic value may be ascertainable from an in depth study of certain companies' financial statements, management, pricing power and sustainable competitive advantages.

TCM typically engages in a buy and hold investment strategy. This allows clients to achieve the advantages of low turnover such as minimized taxes and transaction costs. Long holding periods also promote in clients the mindset of business owners. This helps to properly focus attention away from short-term market movements or news that can distract from long-term value creation.

TCM often concentrates client investments in a very few companies and does not seek to diversify investments among types of securities, countries or industry sectors. TCM seeks to be able to describe its portfolio companies as great businesses, selling for reasonable prices. The objective is to pay a reasonable price for businesses compounding faster than the stock market as a whole. Holding these companies for long periods should yield investment returns that approach the businesses' growth of intrinsic value.

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

TCM has identified the following potential risks inherent in its investment strategy: Due to holding undiversified portfolios, clients will periodically underperform the market substantially. However, the freedom to ignore relatively short-term quarterly and annual results is critical to TCM and its clients' long-term outlook.

This is a concept that may be challenging to adhere to, especially during substantial periods of underperformance or market duress, even though clients may have accepted the concept in theory at the outset. TCM spends the bulk of its communication with clients reinforcing the benefits of thinking like owners of businesses and having a long time horizon.

There is risk, however, that TCM can be wrong in its analysis of portfolio companies' operations, management or industry characteristics. The benefits of long-term patience can turn into a risk of long-term loss.

TCM invests largely in common stocks of large-cap U.S. publicly owned corporations. There is no extraordinary material risk associated with this type of security.

#### **Item 9    Disciplinary Information**

Neither TCM nor Gregg H. Turk has been involved in a legal or disciplinary event material to a client's or prospective client's evaluation of its advisory business or the integrity of its management.

#### **Item 10    Other Financial Industry Activities and Affiliations**

TCM is an independent investment advisory company and is not affiliated with any broker/dealer. TCM has no other financial activities or affiliation that could create conflicts of interest with its clients.

#### **Item 11    Code of Ethics, Participation or Interest in Client Transaction and Personal Trading**

TCM has a written Code of Ethics, a copy of which is available upon request. The Code of Ethics obligates TCM and related persons to put the interests of TCM clients ahead of their own interests and to act with honesty, integrity and fairness in all respects in their client's dealings. Policies and procedures provide a framework within which TCM and related persons operate. TCM and related persons invest in the same securities alongside clients. In aggregating trades for clients, trades for related persons may be included. TCM is committed to preventing any disadvantage to clients in favor of related persons.

## **Item 12 Brokerage Practices**

TCM has an arrangement with National Financial Services LLC and Fidelity Brokerage Services LLC (collectively, and together with all affiliates, “Fidelity”) through which Fidelity provides TCM with “institutional platform services.” The institutional platform services include brokerage, custody and other related services. Fidelity’s institutional platform services that assist TCM in managing and administering clients’ accounts include software and other technology that (i) provide access to client account data (such as trade confirmations and account statements); (ii) facilitate trade execution and allocate aggregated trade orders for multiple client accounts; (iii) provide research, pricing and other market data; (iv) facilitate payment of fees from its clients’ accounts; and (v) assist with back-office functions, recordkeeping and client reporting.

TCM is independently operated and owned and is not affiliated with Fidelity.

Fidelity is providing TCM with certain brokerage and research products and services that qualify as “brokerage or research services” under Section 28(e) of the Securities Exchange Act of 1934.

TCM strives to provide best execution for its clients in terms of allocation of stock purchases. TCM does not use a formula for allocation but rather considers the individual profiles of its client accounts. Some of the characteristics considered when allocating stock are cash reserves and requirements for cash, relative profiles and the general balance of holdings. Over time, TCM intends all core positions to be represented in each client account to the extent allowed by account size, client preference and attractiveness of price.

Whenever possible, TCM aggregates trades for client accounts.

## **Item 13 Review of Accounts**

The portfolio manager reviews all client accounts routinely at least monthly. Underlying securities are monitored on a continuous basis. The accounts are reviewed to determine if cash is available for investment and that the proper allocation between equities and cash exists as well as among equities. Account performance is also reviewed quarterly.

Each client receives a confirmation of each security transaction. At the end of each month, the client receives a statement from the qualified custodian detailing all cash and security transactions for the month, the cash balance and securities with market values held by the custodian. Shortly after the end of each calendar year, a written letter is sent to each client commenting on timely and relevant topics of interest. This letter is accompanied by an annual performance report detailing quarterly and annual cash flows and performance results.

#### **Item 14 Client Referrals and Other Compensation**

TCM is not compensated by anyone other than its clients for investment advisory work. TCM does not compensate anyone or any entity for client referrals.

#### **Item 15 Custody**

TCM manages separate client accounts residing at an independent qualified custodian. Clients receive monthly statements from the qualified custodian and should carefully review those statements.

#### **Item 16 Discretion**

TCM has complete discretion in the investment and reinvestment of client assets with full power and authority to make purchases, sales, exchanges, conversions and trades as it deems appropriate. The investment discretionary authority is set forth in the investment management agreement executed by the client and TCM prior to the start of management.

#### **Item 17 Voting Client Securities**

TCM does not have authority to vote client securities. Clients receive proxies or other solicitations directly from their custodian. Clients may contact TCM for questions about any particular solicitation.

#### **Item 18 Financial Information**

TCM 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.



**Gregg H. Turk, CPA**

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This brochure supplement provides information about Gregg H. Turk that supplements the Turk Capital Management, Inc. brochure. You should have received a copy of that brochure. Please contact as indicated above if you did not receive Turk Capital Management, Inc.'s brochure or if you have any questions about the contents of this supplement.

**Item 2 Educational Background and Business Experience**

Education:

2002 – 2002	Columbia University – Columbia Business School Executive Education, Value Investing
1973 – 1974	Virginia Tech – College of Business MA, Accounting
1968 – 1973	College of William & Mary BA, Business

Business Experience:

1997 – present	Owner and President, Turk Capital Management, Inc., Reston, VA
1985 – 1997	Sole Proprietor, Turk Investment Counsel, Vienna, VA
1981 – 1984	Investment Broker, A.G. Edwards & Sons, Alexandria, VA
1978 – 1980	Treasurer, Coldwell Banker/Ruth Robbins, Falls Church, VA
1974 – 1977	CPA, Price Waterhouse, New York, NY

**Item 3 Disciplinary Information**

This item is not applicable.

**Item 4 Other Business Activities**

This item is not applicable.

**Item 5 Additional Compensation**

This item is not applicable.

**Item 6 Supervision**

This item is not applicable.