

Part 2A of Form ADV: Firm Brochure

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This brochure provides information about the qualifications and business practices of Tenzio Partners, LLC. If you have any questions about the contents of this brochure, please contact us by telephone at (316) 440-7620 and/or by email to danm@tenziopartners.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.

Tenzio Partners, 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 Adviser provide you with information about which you determine to hire or retain an adviser.

Additional information about Tenzio Partners, LLC is also available on the SEC's website at www.adviserinfo.sec.gov. You can search this site by a unique identifying number known as a CRD number. Our firm's CRD number is 167096.

ITEM 2 MATERIAL CHANGES

This is the initial filing of this document.

After our initial filing of this brochure, future versions of this section will provide a summary of new and updated material changes, if any, to the brochure since the last update of the brochure.

Pursuant to SEC Rules, we will provide you with one or more of the following:

- An updated annual brochure along with a summary of material changes which will be provided within 120 days of the close of our business fiscal year if there have been interim amendments or material changes during the course of the previous business year. Our business fiscal year end is December 31st.
- A summary of material changes within 120 days of the close of our business fiscal year that includes an *offer* to provide a copy of the full annual updated brochure and information on how you may obtain the brochure from us if there has been an interim amendment or material change during the previous business year.
- An interim amendment to the brochure if new information in response to Item 9 of Part 2A regarding disciplinary information is available.
- An interim amendment resulting from any material change that could affect the relationship between you and us.

We will provide, *free of charge*, a new brochure any time at your request, or as may become necessary based on material changes as outlined above.

You may request our brochure by contacting our office at 316-440-7620. You may also receive this and any other disclosure documents via electronic delivery, where allowed, by signing and returning to us an authorization to deliver disclosure and other documents electronically.

The SEC's web site also provides information about any persons affiliated with our firm who are registered, or are required to be registered, as investment adviser representatives of Tenzio Partners, LLC.

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ITEM 4 ADVISORY BUSINESS

Advisory Firm

Our firm has applied for registration and anticipates becoming an SEC-registered investment adviser with its principal place of business located in Kansas. The firm began conducting business in 2012.

There is one principal shareholder owning more than 25% of our firm. The shareholder is:

- John C. Shawver, Managing Member, Vice President

Our firm offers investment supervisory services to you.

As used in this brochure, the words “we,” “our” and “us” refer to Tenzio Partners, LLC and the words “you”, “your” and “client” refer to you as either a client or prospective client of our firm.

Advisory Services

Tenzio Partners, LLC (herein “Tenzio” or the “Advisor”) primarily provides investment advisory services to institutional and individual clients. A more detailed list of customer types we work with can be found in Item 7 of this brochure.

Prior to engaging Tenzio to provide investment advisory services, you will be required to enter into a written investment management agreement setting forth the terms and conditions of our engagement. You will then deposit cash and/or securities in an account with a qualified custodian. Your account balance may be altered by you from time to time by investment, reinvestment, additional deposits, expense distributions, and withdrawals. Depending on your specific investment objectives, your account will be invested on the basis of one or more of our trading models as outlined in Item 8: *Methods of Analysis, Investment Strategies and Risk of Loss*.

Generally, we will provide portfolio advisory and management services based on one or more of the trading models as mentioned in the previous paragraph. We generally do not custom tailor our advisory services to each individual account, but instead determine based on our discussions with you, the appropriate trading model or combination of models for you based on your objectives.

In certain instances and subject to the terms of the applicable investment management agreement, we may provide portfolio advisory services that are not necessarily managed according to one of our trading models. In such cases, our investment authority may be subject to specific investment objectives, guidelines and/or conditions imposed by you in writing. For example, you may specify that the investment in any particular stock or industry should not exceed specified percentages of the value of the portfolio, or you may place restrictions or prohibitions of transactions in securities of a specific type or a specific industry.

Generally, however, we manage all portfolios on a discretionary basis. This allows us to buy and sell various investments in keeping with your investment directives without your prior approval. You may revoke this discretionary authority at any time.

To ensure our initial determination of an appropriate trading model and portfolio remains suitable and the account continues to be managed in a manner consistent with your financial

circumstances, we will:

- Periodically contact you to determine whether there have been any changes in your financial situation or investment objectives, and whether you wish to impose investment restrictions or modify existing restrictions; and
- Be reasonably available to consult with you;

Most all investments involve some type of risk. Investments will only be implemented or recommended when consistent with your investment objectives, tolerance for risk, liquidity and suitability.

Assets Under Management

As of 03/26/2013, our firm does not have any client assets under management on a discretionary basis. We generally do not manage non-discretionary assets.

ITEM 5 FEES AND COMPENSATION

Calculation and Payment of Management Fees

We are compensated based on an annual management fee calculated as a percentage of assets under management.

Non-Performance-Based Fees - Generally, the annual fee is 1.5% of assets under management for non-performance-based accounts. This fee is paid in advance on a quarterly basis

Performance-Based Fees - For performance-based accounts to qualified investors we will charge 0.5% annually on all assets with the fee billed quarterly and paid in advance, plus 10% of the appreciation on the assets under management on an annual basis in arrears. The performance fee of 10% will apply only to the extent the performance a) is greater than 0% net of all fees, and b) the performance when calculated exceeds the previous high-water mark. Should the performance at the end of any given year not exceed “a” and “b” from this sentence, there will be no performance fee earned by Tenzio. Tenzio will always be entitled to the 0.5% annual fee.

While the fees are generally not negotiable, we reserve the right, in our sole discretion, to charge certain clients a lower or higher fee than other clients. Amendments to the schedule of fees charged to separate account clients may be made by us at any time with sufficient written notice to you, subject to your written approval of any proposed change in the fee schedule. The change may be enacted by executing an addendum to the original agreement. If your account is custom tailored and not based on a trading model, the annual fee is negotiable with the individual client.

Each portfolio is valued at the end of each quarter for purposes of calculating the fee for the next quarter, and on the last day of the year for the purposes of calculating the fee for the just concluded year. Fees billed in advance are assessed pro-rata for any portion of a quarterly period in which the investment management agreement is executed at any time other than the first day of a calendar quarter. Prepaid management fees are refundable on a pro-rata basis for the remaining balance of a calendar quarter in the event an account is terminated during a calendar quarter.

There is no refund of any fee on those portfolios billed in arrears. If a portfolio being billed in arrears is terminated prior to the end of the year, the calculation of the performance fee will be determined at the date of termination and the performance will be annualized and measured against the previous high-water mark. If the annualized performance exceeds the previous high water mark, the 10% performance fee will be applied to the annualized appreciation with the amount due the advisor determined on a pro-rata basis to the date of termination.

Deduction of Fees

We request that you authorize and direct the custodian of your account to pay our fees directly to us from the portfolio. However, it is your option to authorize this process and if you do not approve of the direct deduction from your account, we may submit periodic invoices directly to you or the custodian as you request. If you should choose not to allow for the direct deduction of your management fees, we may, at our discretion, decline to accept the account.

We do not have access to your funds for payment of fees without written consent by you provided to the custodian. Further, we will send you an invoice showing the amount of the fee, the value of your account on which the fee is based, and the specific manner in which the fee was calculated. You should also review your account statements to ensure that the correct fee has been deducted.

Other Expenses

The fee that you are being charged by us for the investment management of your assets is exclusive of, and in addition to, brokerage commissions, transaction fees, borrowing charges on securities sold short, custodial fees, and any other related costs and expenses. We do not receive any portion of these commissions, fees, other costs and expenses.

In addition, a portion of your assets may be invested in mutual funds or exchange traded funds. These funds charge an annual internal management fee as outlined in their prospectuses which is deducted directly from your account balance by that fund. We do not receive any of these additional fees; however, these fees do represent an additional fee that you are paying above that being charged by us.

Accordingly, you should review the fees charged by other third-party managed mutual funds, and our fees to fully understand the total amount of fees to be paid by you and to thereby evaluate the advisory services provided.

ERISA Accounts

Where we accept ERISA accounts we are deemed to be a fiduciary to those accounts that are employee benefit plans or individual retirement accounts (IRAs) pursuant to the Employee Retirement Income and Securities Act ("ERISA"), and regulations under the Internal Revenue Code of 1986 (the "Code"), respectively.

As such, our firm is subject to specific duties and obligations under ERISA and the Internal Revenue Code that include among other things, restrictions concerning certain forms of compensation. To avoid engaging in prohibited transactions, we may only charge fees for investment advice about products for which our firm and/or our related persons do not receive any commissions or 12b-1 fees, or conversely, investment advice about products for which our firm and/or our related persons receive commissions or 12b-1 fees, however, only when such fees are used to offset our advisory fees.

Sales Compensation

Neither Tenzio, nor any of its principals or supervised persons, accept commissions or other compensation for the sale of securities or other investment products, including asset-based sales charges or service fees from the sale of mutual funds.

Advisory Fees in General

You should note that similar advisory services may (or may not) be available from other registered (or unregistered) investment advisers for similar or lower fees.

ITEM 6 PERFORMANCE-BASED FEES AND SIDE-BY-SIDE MANAGEMENT

Our firm may accept a performance-based fee from you. Such a performance based fee is calculated based on a share of capital gains on or appreciation of the assets in your account(s). You should be aware that performance based fee arrangements may create an incentive for us to recommend investments which may be riskier or more speculative than those which would be recommended under a different fee arrangement. We also have an incentive to favor accounts that pay such fees because compensation we receive from these clients is more directly tied to the performance of their accounts.

In addition, John C. Shawver, has a controlling interest in Tenzio. Such affiliation creates a potential conflict of interest between our duty to act in your best interests and Tenzio's interest in continuing to receive compensation for its advisory services.

Neither Tenzio nor its affiliates, if any, are required to devote their full-time or attention to managing your assets. We may conduct other businesses and provide investment services to other clients which may be competitive with the services provided to you. In advising other accounts, we may give advice and make recommendations to such accounts, which may be the same, similar to, or different from those rendered to you. The compensation arrangements with other clients may create incentives for us to favor such other clients.

To manage these conflicts, we have implemented the following:

- All accounts within a strategy are managed to the strategy's trading model.
- We will perform periodic reviews of each investment strategy's trading model versus your account. In this review, every position size for each client account is compared to our trading model weights.
- We have implemented policies whereby portfolio manager incentive is based solely upon the performance of the respective strategies that they manage. This policy is intended to incentivize portfolio managers to act in the best interests of clients regardless of their fee type.
- We have developed trade allocation policies and procedures designed to ensure that all clients are treated fairly and equally over time and to prevent these conflicts from influencing the allocation of investment opportunities among clients.

ITEM 7 TYPES OF CLIENTS

In addition to institutions and individuals, we may offer investment advisory services to trusts, estates, family offices, charitable organizations, pension and profit sharing plans, corporations, and other business entities.

Generally we require a minimum opening account size of \$500,000. This is a guideline only. The minimum account size can be waived, increased or decreased at any time for any reason.

Examples of reasons we may choose to waive or decrease the minimum would include; the value of all accounts we manage for you which are controlled by you or which are part of your household; the anticipation of additional accounts you may open with us; or the level of complexity required to manage your account(s) is low.

ITEM 8 METHOD OF ANALYSIS, INVESTMENT STRATEGIES AND RISK OF LOSS

Based on your investment objectives, as well as your ability and willingness to assume market risk, we generally provide investment advisory services as a combination of proprietary trading models as well as trading models provided by third-party investment managers. Your actual portfolio will be comprised of varying proportions of each of the trading models, depending on your investment objectives, your risk tolerance, and our ability to match trading models with expected market environment. We encourage you to take a patient, long-term approach to investing. We believe that successful investing requires discipline and that accounts should be maintained through various market environments and fluctuations. You are encouraged to adopt at least a five year investment horizon for accounts managed by us. Regardless of the investment strategy, investing in securities involves risk of loss that clients must be prepared to bear.

Methods of Analysis

We may use one or more of the following methods of analysis in formulating our investment advice and/or managing your assets:

Charting - In this type of technical analysis, we review charts of market and security activity in an attempt to identify when the market is moving up or down and to predict how long the trend may last and when that trend might reverse.

Fundamental Analysis - We attempt to measure the intrinsic value of a security by looking at financial factors (including the financial condition and management of the company itself) to determine if the company is underpriced (indicating it may be a good time to buy) or overpriced (indicating it may be time to sell).

Fundamental Analysis does not attempt to “time” or anticipate market movements. The risk of this type of analysis is that the price of a security can move up or down along with the overall market regardless of the economic and financial factors considered in evaluating the individual stock or fund.

Technical Analysis - We analyze past market movements and apply that analysis to the present in an attempt to recognize recurring patterns of investor behavior and potentially predict future price movement.

Technical Analysis does not consider the underlying financial condition of a company. The risk of this type of analysis is that that a poorly-managed or financially unsound company may underperform regardless of market movement.

Mutual Fund/ETF Analysis - We look at the experience and track record of the manager of the mutual fund or ETF in an attempt to determine if that manager has demonstrated an ability to successfully invest over a period of time and in different economic conditions.

We also look at the underlying assets in a mutual fund or ETF in an attempt to determine if there is significant overlap in the underlying investments which may be held in another fund(s) in your portfolio. We also monitor the funds or ETF's in an attempt to determine if they are continuing to follow their stated investment strategy.

A specific risk of mutual fund and/or ETF analysis is that, as in all securities investments, past performance does not guarantee future results. A manager who has been successful may not be able to replicate that success in the future. In addition, as we do not control the underlying investments in a fund or ETF, managers of different funds held by you may purchase the same security, increasing the risk to you if that specific security were to fall in value. There is also a risk that a manager may deviate from the stated investment mandate or strategy of the fund or ETF, which could make the holding(s) less suitable for your portfolio.

Risks for all Forms of Analysis - Our securities analysis methods rely on the assumption that the companies whose securities we purchase and sell, the rating agencies that review these securities, and other publicly-available sources of information about these securities, are providing accurate and unbiased data.

While we try to be aware of any indications that data may be incorrect, there is always a risk that our analysis, as a result of incorrect data, may be compromised and therefore incorrect. This may result in the poor performance of your investments or a loss of your principal.

Investment Strategies

The Advisor actively manages portfolios to invest in any combination of equity, commodity and fixed-income securities based on market conditions and trends and the Advisor's expectations and assessments of risks without any restrictions. The Advisor may invest directly in equity securities, fixed-income securities, exchange-traded funds ("ETF's"), mutual funds, and naked and covered options. The Advisor utilizes a number of different investment strategies in the development of its trading models. The strategies are generally grouped as follows:

Trend-Following Models – The Advisor seeks to take “long” positions during upward trends and seeks to take “short” position in downward trends. The Advisor will employ leveraged investment techniques to increase exposure during times when a strong market trend is anticipated.

Relative Strength Models – The Advisor seeks to take exposure to securities that the potential for outperformance relative to other securities.

Counter-trend Models – The Advisor will selectively take positions that are in opposition to the primary-, intermediate-, or short-term trend.

Fundamental Models – The Advisor will take “long” positions in securities that display certain characteristics uncovered during the fundamental analysis process. These securities are chosen for the potential to outperform their investment benchmark.

Material Risks for Clients to Consider

Opening an account with us may involve a high degree of risk and is suitable only if you have substantial financial resources and understand the long-term nature, the consequences of, and the risks associated with the investment strategy utilized by us. Some of those risks are summarized

below. Prospective clients should carefully consider all the risks discussed and should consult their own legal, tax, and financial advisers about these risks and of making an investment with us generally.

The transactions in which your account will generally engage involve significant trading risks. No assurance can be given that you will realize a profit on your investment. Moreover, you may lose some or the entire amount invested. Because of the nature of our investment activities, you should expect that your account value will fluctuate from month to month and from period to period. Neither prior successful investment management performance, recommendations or analysis by us, nor any future successful performance of your Account, may be relied upon as assuring further successful performance. Many unforeseeable events, including actions by various government agencies, such as the Federal Reserve Board, and domestic and international economic and political developments, may cause sharp market fluctuations which could adversely affect your account. Unexpected volatility or illiquidity could impair your account's profitability or result in losses. None of these factors are within our control. We do not guarantee the future performance of your Account or any specific level of performance, the success of any investment decision or strategy that we may use, or the success of our overall management of your account.

The following risks must be considered prior to opening an account with us:

Leverage - Although not generally a part of our investment strategy, we may use modest degrees of leverage in investing your account. Borrowing money to purchase securities may provide your account with the opportunity for greater capital appreciation but at the same time will increase your account's risk of loss. Fluctuations in the market value of leveraged investments have a disproportionately large effect in relation to the return or loss on the investment. In addition, the level of interest rates generally, and the rates at which your account specifically can borrow, will be an expense of your Account and will therefore affect the operating results of your Account. The level of interest rates and the amount of borrowing will affect the performance of your Account.

Foreign Securities - We may invest the assets of your account in securities and other financial instruments of non-U.S. entities and/or securities and other financial instruments denominated in currencies other than U.S. Dollars. These may include securities issued by entities in, and traded in, so-called "emerging markets." We will value such assets in U.S. Dollars. To the extent such assets are un-hedged, the value of your account's assets will fluctuate with the U.S. Dollar exchange rates as well as with price changes of your account's investments in other various markets denominated in other currencies. Either to hedge foreign currency exchange rate risks which may arise from the purchase of such securities, or for speculative purposes, we may invest in foreign currencies and currency-related products.

Short Selling - We may make short sales of securities for your account or may cause your account to invest in mutual funds that engage in short selling generally for purposes of hedging existing investments or overall market risk. To make a short sale, your account must borrow the securities being sold short. A short sale will result in a gain if the price of the securities sold short declines between the date of the short sale and the date on which securities are purchased to replace those borrowed. A short sale will result in a loss if the price of the securities sold short increases. If the price of securities sold short increases, your account may be required to provide additional collateral or to liquidate other investments to maintain short positions, which may not be at favorable prices. Short selling is often viewed as a speculative investment strategy that requires specialized skills and presents heightened risks of losses.

Options Trading - We may purchase or sell stock or index options for your account. The trading of options is highly speculative and may entail risks that are greater than investing in other

securities. Prices of options are generally more volatile than prices of other securities. A change in the market price of the underlying asset or index will cause a much greater change in the price of the option contract. In addition, to the extent that we purchase options that it do not later sell or exercise, your account will suffer the loss of the premium paid. To the extent we sell options and must deliver the underlying securities at the option price, your account has an unlimited risk of loss if the price of the underlying security increases.

Credit Risk - Credit risk is the risk that the issuer of a security might not make interest and principal payments on the security as they become due resulting in losses to your account. A downgrade in an issuer's credit rating or other adverse news about an issuer can significantly reduce the market value of that issuer's securities.

Interest Rate Risk - Fixed income securities are debt securities that are subject to changes in value when prevailing interest rates change, and as such, are subject to interest rate risk. When prevailing interest rates fall, the values of already-issued debt securities generally rise. Conversely, when prevailing interest rates rise, the value of already-issued debt securities generally falls, and the securities may sell at a discount from their face amount. The magnitude of these price changes is generally greater for fixed income securities with longer maturities.

Opposite Position Risk - Due to the strategies employed using our trading models and variances in client goals and risk tolerance, it is possible that you may have either a "long" or "short" position of a particular security within one trading model of your account, while another client maintains a different position of the same security in a different trading model within their account. This may create a conflict in that you will maintain a position in your account that is opposite the same position in another client's account.

ITEM 9 DISCIPLINARY INFORMATION

Our firm and our management personnel have no reportable disciplinary events to disclose.

ITEM 10 OTHER FINANCIAL INDUSTRY ACTIVITIES AND AFFILIATIONS

Our firm does not receive any additional compensation for services or products from any other entity. In addition, we do not receive any additional compensation for placing your assets in a mutual fund or exchange traded fund.

In the future if a conflict were to arise with regard to our current or any new Financial Industry Activities or Affiliations, including the receipt of compensation from those sources we would;

- Disclose in this section to you the existence of all material conflicts of interest, including the potential for our firm and our employees to earn compensation in addition to our firm's stated advisory fees;
- Disclose to you that you are not obligated to purchase recommended investment products from our employees or affiliated companies;
- Require that our employees seek prior approval of any outside employment activity so that we may ensure that any conflicts of interests in such activities are properly addressed;

- Periodically monitor outside employment activities of our employees to verify that any conflicts of interest continue to be properly addressed by our firm.

Other Registrations

Neither Tenzio, nor any of its management persons, are registered or have an application pending to register, as a broker-dealer, a registered representative of a broker-dealer, a futures commission merchant, a commodity pool operator, a commodity trading advisor, or an associated person of any of the foregoing.

Affiliations

We have no affiliation with other financial entities that may cause a conflict of interest between us.

Relationships with Other Advisers

Neither Tenzio, nor its principals, recommend or select other investment advisers for our clients in which we may have a financial interest.

In addition, should we at any time enter into a fee sharing arrangement with any other advisers, we will disclose that arrangement in this section.

ITEM 11: CODE OF ETHICS, PARTICIPATION OR INTEREST IN CLIENT TRANSACTIONS AND PERSONAL TRADING

Code of Ethics

Tenzio has adopted a Code of Ethics, the full text of which is available to clients and prospective clients upon request. We have several objectives in adopting our Code of Ethics. First, we desire to comply with all applicable laws and regulations governing our practice, and our management has determined to set forth guidelines for professional standards, under which all associated persons are to conduct themselves. We have set high standards, the intention of which is to protect your interests at all times and to demonstrate our commitment to our fiduciary duties of honesty, good faith and fair dealing with all clients. All associated persons are expected to adhere strictly to these guidelines, as well as the procedures for approval and reporting established in our Code of Ethics, primarily related to personal securities transactions and violations of the Code of Ethics. In addition, we maintain and enforce written policies reasonably designed to prevent the misuse of material non-public information by us or any person associated with us.

Participation or Interest in Client Transactions and Personal Trading

Our firm does not participate in Principal Trades or in Agency Cross transactions. Principal transactions are those where our firm, acting on behalf of our own account, buys or sells a security to you or another client. An Agency Cross transaction is one in which our firm acts as a broker for both the buyer and seller of a security.

We do not recommend to you or other clients that you take a position in a security in which our firm, our employees, or our related persons has a material financial interest.

ITEM 12 **BROKERAGE PRACTICES**

Selection Criterion

Suggestion of Brokers

Our firm does not maintain any soft dollar arrangements or agreements with any broker-dealer. However, we do receive research and services from some broker-dealers that while not covered in a soft dollar agreement, nonetheless, may be a benefit to our firm.

In many cases, if not directed to do otherwise by you, we will utilize Schwab Institutional Services for the custody and trading of our client accounts. Schwab Institutional is a division of Charles Schwab & Co., Inc., a FINRA registered broker-dealer and a member of SIPC.

Schwab provides us with access to its institutional trading and custody services, which are typically not available to Schwab retail investors. These services generally are available to independent investment advisers, like ourselves, on an unsolicited basis, at no charge as long as we maintain a total of at least \$10 million in client assets with them.

Our firm benefits by maintaining your assets with Schwab or one of the other large retail broker-dealers such as Fidelity or TD Ameritrade. In exchange for maintaining the minimum required client assets we receive brokerage services which can include:

- Execution of securities transactions;
- Custody services;
- Research; and
- Access to mutual funds and other investments generally available only to institutional investors or individual investors with significantly higher minimum initial investment requirements.

Some or all of these services can be directly beneficial to your account while others may not result in any benefit to your account.

For our client accounts which are maintained in Schwab's custody there is no separate charge for custody services. Instead Schwab is compensated by account holders, such as your account, through commissions and other transaction related or asset based fees for securities trades that are executed through Schwab or that settle into Schwab accounts. The same basic principal holds true with the other large retail broker-dealers such as Fidelity and TD Ameritrade.

Schwab Institutional and the other large retail broker-dealers make available to our firm other products and services that benefit our firm but which may not directly benefit your account(s). In other words, the keeping of your account at Schwab or one of the other large retail broker-dealers is helping us maintain our required minimum asset level in order that we might receive the services previously outlined. Some of these and other services may not be applicable to your account(s), but they may be received by other accounts we manage, including those not maintained at Schwab.

Schwab and the other large broker-dealers may also provide us products and services that assist us in managing and administering your account(s). This includes software and other technology that:

- Provides access to your account data including trade confirmations and account statements;

- Facilitates trade execution and allocation of aggregated trade orders for multiple client accounts;
- Provides research, pricing and other market data;
- Facilitates payment of our fees from client accounts; and
- Assists with back-office functions, recordkeeping, and client reporting.

We may also receive other services intended to help us manage and further develop our business enterprise. These services may include:

- Compliance, legal and business consulting;
- Publications and conferences on practice management and business planning;
- Access to employee benefits providers, human capital consultants, and insurance providers.

Schwab and other large retail broker-dealers may make available third-party vendors for some of the services rendered to us. These broker-dealers may discount or waive fees they would otherwise charge for some of these services, or they may pay all or a part of the fees of the third-party providing these services to our firm. These broker-dealers may also provide benefits such as educational events or occasional business entertainment of our personnel.

In evaluating whether to recommend that you custody your assets at one of these broker-dealers, we may take into account the availability of some of the foregoing products and services and other arrangements as part of the total mix of factors we consider. Thus this decision is not based solely on the nature, cost or quality of custody and brokerage services provided by the broker-dealer. This may create a potential conflict of interest.

Directed Brokerage

You are under no obligation to use any particular broker-dealer. We are regularly asked if we would recommend a particular broker-dealer. Because we have an established relationship with Schwab, receive services as outlined in this section, and feel that Schwab can provide our customers with high quality service, we oftentimes suggest them. However, you are free to use any broker-dealer that you may choose.

If you allow us to choose the broker-dealer for your account, your investment management agreement with us will reflect that you are providing us with the authority to determine the broker-dealer to use. In addition, you will also be allowing us to choose the commission costs that will be charged to you for these transactions. You may change your broker-dealer at any time, as well as amend or revoke discretionary authority at any time by providing us with written notice.

You may instruct us to use one or more particular brokers for transactions in your account. Should you direct us to use a particular broker you should understand that this may prevent us from effectively negotiating brokerage compensation on your behalf. This arrangement may also prevent us from obtaining the most favorable net price and execution. Thus, when directing brokerage business, you should consider whether the commission expenses and execution, clearance and settlement capabilities that you will obtain through your directed broker are adequately favorable in comparison to those that we would otherwise obtain for you.

Research and Other Soft Dollars

We do not receive research or other products or services other than execution from broker-dealers or third parties (“soft dollar benefits”) except as described in this section in connection with our securities transactions executed on your behalf.

Brokerage for Client Referrals

We do not direct or allocate account portfolio transactions or commissions to certain securities brokers and dealers who then recommend potential clients to us or any of our affiliates.

Aggregation of Orders

Transactions for each client account generally will be effected independently unless the Firm decides to purchase or sell the same securities for multiple Firm clients at approximately the same time **and** from the same brokerage firm.

At that point our firm may, **but is not obligated to**, combine or “batch” your orders with orders of other clients. In the event an employee of the advisor is seeking to sell the same security at the same time as that which is being contemplated for your account, if allowed and in keeping with our Code of Ethics, then where possible, we are obligated to combine or “batch” your order with the employee's order. In no event will an employee receive any preferential treatment over any account of yours or of other clients.

The process of combining these orders oftentimes allows us to negotiate more favorable commission rates. We also can allocate equitably among you, other clients, and employees the differences between prices, commissions, and other transaction costs that we and you may not have received had each order been placed independently. This allows you to receive the average price paid or received as well as to share in the purchase or sale pro-rata in the event that an order is only partially completed. Our firm will not receive any additional compensation as a result of aggregating these orders.

We also may choose not to aggregate orders except in the instance of an employee entering an order at the same time as your account and with the same broker dealer. Reasons that we may not aggregate an order may include:

- Only a small percentage of an order is completed and thus the shares may be assigned to the account with the smallest order or position, or that is out of line with respect to a security or sector weightings.
- Allocations may be given to one account when that account has investment limitations which restrict it from purchasing other securities which are expected to produce similar investment results.
- If an account reaches an investment guideline limit and cannot participate in an allocation which may occur due to unforeseen changes in account assets after an order is placed.
- Sale allocations may be given to accounts that are low in cash.
- When a pro rata allocation would result in a de minimis allocation in one or more accounts.
- In the case where a proportion of an order is filled in all accounts, shares may be allocated to one or more accounts on a random basis.

ITEM 13 REVIEW OF ACCOUNTS

Review of Accounts

Mr. Dan Mihelic, the President of Tenzio, will review all accounts on a continuous basis, with a formal review conducted on each account at least semi-annually. In addition to our regular periodic reviews, triggering factors that may stimulate an unscheduled review include, but are not limited to, significant market corrections, large deposits or withdrawals from an account, substantial changes in the value of your portfolio and/or a change in your investment objectives.

Reports

Although we may send correspondence to you on a periodic basis, we do not provide you with regular reports regarding your account. Instead, you will receive statements directly from your Custodian generally on a monthly basis. You are encouraged to review your statements carefully. You authorize and direct duplicate brokerage account statements to be distributed by your Custodian to us. We are in no manner responsible for the accuracy of information furnished by you, the custodian of your account, or any other third party, or for the accuracy of any record or report or the result of any action taken based on inaccurate information provided by any such third party.

We maintain appropriate records regarding our investment advisory activities consistent with our duties under applicable laws and regulations and/or sufficient to accurately detail and evidence all of our activities with respect to your account. We shall furnish you with any and all such records upon request.

ITEM 14 CLIENT REFERRALS AND OTHER COMPENSATION

Our firm does not engage solicitors or pay any related or non-related persons for referring potential clients to our firm.

It is our policy not to accept or allow our employees and related persons to accept any form of compensation, including cash, sales awards or other prizes, from a non-client in conjunction with the advisory services we provide to you.

ITEM 15 CUSTODY

We do not serve as custodian of any client funds or securities and the client does not surrender ownership of the cash and securities comprising the assets in their account. We may not remove the cash and securities from your account. Portfolio assets subject to our supervision are normally maintained in street name in the client's custody with the Custodian and/or broker/dealer selected by client and set forth in the investment management agreement. Clients should carefully review account statements received from the broker-dealer, bank, or other qualified custodian.

ITEM 16 INVESTMENT DISCRETION

Generally, all of our accounts are discretionary in nature. We will request that we be given discretionary authority from the outset of our advisory relationship so that we may provide discretionary asset management services for your account(s). You may deny such authority. If

that authority is denied or revoked in the future we may, at our sole discretion, choose not to enter into, or to terminate any advisory relationship with you.

When you agree to give us discretionary authority we can place trades in your account without contacting you prior to each trade to obtain your permission.

Our discretionary authority includes the ability to do the following without contacting you:

- Determine the security to buy or sell; and/or
- Determine the amount of the security to buy or sell

In all cases this discretion is to be used in a manner consistent with the stated investment objectives for your account.

When we select securities and determine the amounts of those securities to buy or sell we will observe the policies, limitations or restrictions which you may have given us to follow.

You give us discretionary authority when you sign a discretionary investment management agreement with our firm, and you may limit this authority by giving us written instructions in advance of entering into an agreement. You may also limit this authority at any time after entering into an agreement while that agreement remains in effect by once again providing us with written instructions. These limitations and other instructions will become a part of your permanent file.

ITEM 17: VOTING CLIENT SECURITIES

We generally will not vote proxies for your account unless we specifically agree to do so in writing.

ITEM 18: FINANCIAL INFORMATION

Under no circumstances do we require or solicit payment of fees in excess of \$1200 per client more than six months in advance of services rendered. Therefore, we are not required to include a financial statement.

If we maintain discretionary authority for your account or are deemed to have actual or constructive custody of your assets or collect fees as described in the preceding paragraph we are required to disclose any financial condition that is reasonably likely to impair our ability to meet our contractual obligations.

Our firm has no financial circumstances to report. Additionally, our firm has not been the subject of a bankruptcy proceeding at any time during the past ten years.