

MAGEE THOMSON

Investment Partners

Firm Brochure

Form ADV, Part 2A

February 9, 2015

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This brochure provides information about the qualification and business practices of Magee Thomson Investment Partners. If you have any questions about the contents of this brochure, please contact Magee Thomson Investment Partners at 858-350-5050 or email us at info@mt-invest.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.

Magee Thomson Investment Partners, LLC is registered as an investment adviser with the Securities and Exchange Commission; however such registration does not imply a certain level of skill or training and no inference to the contrary should be made.

Additional information about Magee Thomson Investment Partners is also available on the Internet at www.advisorinfo.sec.gov.

Item 2 - Material Changes

This Brochure represents an update from our previous Brochure dated October 15, 2014. The following material changes were made:

Item 4 - Advisory Business - updated total Assets Under Management to reflect total as of December 31, 2014.

Item 12 – Brokerage Practices – updated to remove soft dollar research provider that the firm is no longer using.

Magee Thomson encourages each client to read the Brochure carefully and to call us with any questions you may have.

Pursuant to SEC Rules, Magee Thomson will ensure that clients receive a summary of any materials changes to this Brochure within 120 days of the close of Magee Thomson's fiscal year, along with a copy of this Brochure or an offer to provide the Brochure. Additionally, as Magee Thomson experiences material changes in the future, we will send you a summary of our "Material Changes" under separate cover. For more information about the firm, please visit www.mageethomson.com. Additional information about the firm and its investment adviser representatives is available on the SEC's website at www.adviserinfo.sec.gov.

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Item 4 - Advisory Business

Magee Thomson Investment Partners is a growth equity management firm based in San Diego, California. Our firm is 100% employee owned with no other affiliated organizations. David Magee and Kelly Thomson each own greater than 25% of the firm. Magee Thomson specializes in managing growth stock portfolios for individuals, trusts, wrap program clients, and institutional investors, such as defined benefit and defined contribution plans, non-affiliated pooled investment vehicles (e.g., private funds), and public pension plans. The firm offers the following investment strategies:

Large Cap Growth Strategy

The investment objective of the Large Cap Growth strategy is to achieve long term capital appreciation through investment in large cap companies. The Large Cap Growth strategy portfolio generally consists of 20 to 30 stocks of large cap companies. Typically no more than 10% of the value of a client's portfolio assets will be invested in any single security at one time with the average weight approximately 4% to 5% under this strategy. The strategy is not subject to any specific industry or sector limitations. A client's portfolio invested in this strategy is usually fully invested with a maximum cash weighting of 5% of the portfolio value at any one time.

Small Cap Growth Strategy

The investment objective of the Small Cap Growth strategy is to achieve long term capital appreciation through investment in small to medium sized companies. The Small Cap Growth strategy portfolio generally consists of 50 to 75 stocks of small cap companies. Typically no more than 5% of the value of a client's portfolio assets will be invested in any single security at one time with the average weight approximately 1.5% to 2% under this strategy. The strategy is not subject to any specific industry or sector limitations. A client's portfolio invested in this strategy is usually fully invested with a maximum cash weighting of 5% of the portfolio value at any one time.

Micro Cap Growth Strategy

The investment objective of the Micro Cap Growth strategy is to achieve long term capital appreciation through investment in micro to small sized companies. The Micro Cap Growth strategy portfolio generally consists of 50 to 75 stocks of micro cap companies with a market capitalization typically between \$100 million to \$500 million at purchase. Typically no more than 3.5% of the value of a client's portfolio assets will be invested in any single security at one time with the average weight approximately 1.5% to 2% under this strategy. The strategy is not subject to any specific industry or sector limitations. A client's portfolio invested in this strategy is usually fully invested with a maximum cash weighting of 5% of the portfolio value at any one time.

Please refer to **Item 8** for further information on our methods of analysis and investment strategies, including details on the specific risks associated with these strategies.

At the beginning of the relationship, we generally gather information from the client regarding their investment objectives. This will include the client's tolerance for risk, time horizon and any restrictions placed by the client. Once guidelines have been agreed on the client is responsible for informing us of any changes to their guidelines or restrictions.

We provide continuous supervision and management of the assets. Each client will enter into a written investment advisory agreement directly with Magee Thomson Investment Partners, LLC outlining their fees, guidelines and restrictions.

Magee Thomson's advisory services are limited to these strategies listed above and the firm does not offer any additional investment management services. Separate accounts may be customized to meet the individual needs of a client's account relating to security weights or types of securities.

Wrap Programs

Magee Thomson also offers its investment strategies through certain wrap programs (each, a "Wrap Program"), which are sponsored by multi-service financial institutions unaffiliated with us (each, a "Wrap Sponsor"). A list of such Wrap Programs may be found in Part 1 of our Form ADV.

Generally, a Wrap Program client selects an investment adviser, such as Magee Thomson, from a list of Wrap Sponsor-approved advisers. The selected adviser will provide investment management services for the wrap client's assets allocated to the Wrap Program. For a single all inclusive fee (the "Wrap Fee"), a Wrap Client receives certain other services provided by the Wrap Sponsor, such as trading execution and custodial services. Magee Thomson receives a portion of the Wrap Fee from the Wrap Sponsor for providing investment management services to the wrap client. The wrap clients generally enter into a written agreement with the Wrap Sponsor and not Magee Thomson, but certain programs requires the wrap client to enter into an agreement with the Wrap Sponsor and Magee Thomson.

Although the types of investment management services we provide to wrap clients are generally the same as the types of investment management services provided to our non-wrap clients, certain differences may exist, including but not limited to the fact that the Wrap Sponsor usually collects each wrap client's investment objectives and assists in determining the strategy best suited for the wrap client.

Assets Under Management

As of December 31, 2014, 100% of our accounts were fully discretionary and our total assets under management was **\$420,255,864 million**.

Item 5 - Fees and Compensation

Magee Thomson Investment Partners, LLC engages in an investment advisory business primarily for institutional investors, investment companies and high net worth individuals. The firm offers the following investment strategies Large Cap Growth, Small Cap Growth and Micro Cap Growth. The following fee schedule, calculated as a percentage of assets under management, applies to each product:

Large Cap Growth Annual Fee:

- .85% on the first \$10 million
- .75% on the next \$40 million
- .65% on the next \$50 million
- .50% on the balance.

Small Cap Growth Annual Fee:

1.00% on all assets.

Micro Cap Growth Annual Fee:

1.50% on all assets.

Each client enters into a written agreement directly with Magee Thomson Investment Partners, LLC for the management of assets. Magee Thomson's fees are paid quarterly in arrears under the terms of the advisory contract with the client. As a general rule, Magee Thomson's advisory fees are based on a percentage of the current market value of the assets under management as of the end of each quarter. Magee Thomson reserves the right to prorate fees for a given billing period due to deposits or withdrawals made during that billing period. Invoices are sent quarterly directly to clients for payment. Magee Thomson does not have authority to instruct clients' custodians to debit fees from client accounts to pay our fees.

The above mentioned fees represent the standard fees the firm generally charges. Under certain circumstances fees are negotiable and the arrangement with any particular client may be different from the fee schedule stated above. The client may terminate the investment advisory agreement at any time with a written 30 day notice.

Our fees include the investment advisory fee only. Broker commissions, exchange fees and any other transaction costs are additional costs charged to the client's account. Additionally, Magee Thomson's fee does not include custodian fees which are covered by separately by each individual client. Please refer to **Item 12** of this Brochure for additional important information about Magee Thomson's brokerage and transactional practices. Clients should review the fees charged to their account(s) to fully understand the total amount of all fees charged. Clients should understand that lower fees for comparable services may be available from other investment advisory firms.

The firm does not utilize prepaid fees of any type.

WRAP PROGRAM FEES

Magee Thomson is not generally informed of the specific fee arrangement negotiated between each Wrap Client and the Wrap Sponsor. Wrap Sponsors may charge a minimum annual Wrap Fee to each of their wrap clients. The annual fees we receive from each Wrap Sponsor are generally equal to either (a) a percentage of the total assets in the Wrap Sponsor's Wrap Program accounts for which Magee Thomson provides investment management services or (b) a percentage of the wrap fees actually collected by the Wrap Sponsor from wrap clients to whom we provide investment management services. Each Wrap Sponsor generally pays us on a quarterly basis, either in arrears or in advance, as outlined in each written agreement between Magee Thomson and the Wrap Sponsor. The standard fees we receive from each Wrap Sponsor may vary depending on the investment style selected and other factors. The annual fees currently are 1% of wrap client assets under management.

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

In certain situations Magee Thomson charges fees based on the performance of the account. The performance fees charged are negotiated with the client, but generally will consist of an asset based quarterly percentage fee, plus an annual performance fee, so long as the account's annualized return exceeds the selected benchmark.

Magee Thomson does not charge all clients performance fees and we will only charge a performance fee to clients that meet the qualification requirements provided in Rule 205-3 under the Investment Advisers Act of 1940.

Clients should understand that certain conflicts of interest exist due to this performance based fee arrangement. For example, performance based fees may create an incentive for Magee Thomson to make investments that are riskier or more speculative than would be the case in a non-performance based fee arrangement. In addition, the fees charged by us may be higher than fees charged by other advisers for comparable services. As is typical for many money managers including Magee Thomson, a potential conflict of interest may arise related to the side-by-side management of one or more accounts with a performance-based fee along with one or more accounts with non-performance based fees. The management of both types of accounts at the same time may create an incentive to favor the account that produces a higher fee. Magee Thomson has adopted trading and allocation policies designed to ensure that its side-by-side management of accounts with different types of fees is at all times consistent with its fiduciary responsibilities to its clients, and that no client account is favored over another. These policies include requirements that all accounts in the same strategy generally be managed the same way, that is, the accounts must have the same portfolio holdings and must be traded at the same time, regardless of the type of fee arrangement. Accounts are regularly reviewed by Magee Thomson, including an independent review by its compliance department, to ensure that these policies are closely followed, that buy and sell opportunities are allocated fairly among client accounts regardless of fees charged, and that all clients are treated equitably.

Item 7 - Types of Clients

Magee Thomson provides investment management services to a wide variety of clients, including but not limited to, individuals, trusts, wrap program clients, and institutional investors, such as defined benefit and defined contribution plans, non affiliated pooled investment vehicles (e.g., collective investment retirement trusts), and public pension plans.

The vast majority of these arrangements are discretionary where Magee Thomson is free to select the investments and trade on the client's behalf without prior consultation with the client. Clients are free to impose certain restrictions; however, there may be times when certain restrictions are placed by a client which prevent us from accepting or continuing to service the client's account. Magee Thomson reserves the right to not accept and/or terminate a client's account if it feels that the client imposed restrictions would limit or prevent it from meeting and/or maintaining its objectives.

Account minimums are generally \$5 million to begin an account. We reserve the right to waive this minimum at our discretion. The minimum for various wrap programs may be lower and are outlined in the wrap program brochures.

If a Client's account is a pension or other employee benefit plan governed by the Employee Retirement Income Security Act of 1974, as amended ("ERISA"), Magee Thomson may be a fiduciary to the plan. In providing our investment management services, the sole standard of care imposed upon us is to act with the care, skill, prudence and diligence under the circumstances then prevailing that a prudent man acting in a like capacity and familiar with such matters would use in the conduct of an enterprise of a like character and with like aims. Magee Thomson will provide certain required disclosures to the "responsible plan fiduciary" (as such term is defined in ERISA) in accordance with Section 408(b)(2), regarding the services we provide and the direct and indirect compensation we receive by such clients. Generally, these disclosures are contained in this Form ADV Part 2A, the client agreement and/or in separate ERISA disclosure documents, and are designed to enable the ERISA plan's fiduciary to: (1) determine the reasonableness of all compensation received by Magee Thomson; (2) identify any potential conflicts of interests; and (3) satisfy reporting and disclosure requirements to plan participants.

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

Method of Analysis and Investment Strategy

We believe that companies experiencing accelerating earnings growth due to a fundamental catalyst will deliver superior performance. We expect modest out performance from gradual earnings acceleration and greater out performance when the earnings acceleration is dynamic.

We first identify candidates with these potential characteristics using daily proprietary screens of the applicable equity universe for each portfolio strategy. We then conduct fundamental research of each candidate to identify companies that are entering a revenue and earnings acceleration phase. Fundamental research information is obtained from our internal research database, vendor partners and through an external network of brokerage analysts to identify the catalysts that will affect the future growth rates and to ascertain their sustainability. Typical catalysts include new products, new industries, regulatory changes, new management, etc.

The companies with sustainable earnings catalysts and the greatest earnings acceleration potential are suitable for purchase into the client's portfolio. Portfolios are constructed on a bottom-up basis and we do not constrain the portfolio as to sector or industry group. Generally the same investment process is applied consistently to each of the firm's investment strategies.

Investments in our separate accounts are not guaranteed by any agency or program of the U.S. government or by any other person or entity, and an investor could lose money in the separate account strategies. Each investor should consider their own investment goals, time horizon and risk tolerance before investing in any one of our strategies. The principal

risks associated with an investment in the each of our investment strategies include the following:

Risk of Loss: Equity Securities and The Stock Market.

Magee Thomson's investment strategies are generally intended for investors seeking long-term growth of capital who can withstand the share price volatility of equity investing. Investing in securities involves risk of loss that clients must be prepared to bear.

Because Magee Thomson invests in primarily equity securities in all of its investment strategies, clients are subject to the risk that stock prices could fall over short or extended periods of time. Equity securities fluctuate significantly in price from day to day. Several factors may contribute to the price volatility of equity securities such as individual company reports, industry or economic trends/developments or political/regulatory developments. These factors may contribute to losses which is a principal risk of equity investing.

Additionally, Common stocks represent a share of ownership in a company, and rank after bonds and preferred stock in their claim on the company's assets in the event of a liquidation. The investments made by Magee Thomson will generate taxable income and realized capital gains or losses, so investors should consult with their tax advisors about the tax consequences of their investments.

Other potential risks include the following:

Market Risk

The price of a stock, bond, mutual fund or other security may drop in reaction to tangible and intangible events and conditions. This type of risk is caused by external factors independent of a security's particular underlying circumstances.

Business Risk

These risks are associated with a particular industry or a particular company within an industry. For example, oil-drilling companies depend on finding oil and then refining it, a lengthy process, before they can generate a profit. They carry a higher risk of profitability than an electric company, which generates its income from a steady stream of customers who buy electricity no matter what the economic environment is like.

Concentrated Portfolio Risk

Generally Magee Thomson's portfolio strategies holdings are concentrated in fewer securities which increase the strategy's stock specific risk and increase the potential for the investment strategy to be more volatile than the overall market or a portfolio with more holdings. Magee Thomson may focus their investments from time to time on one or more economic sectors, such as the technology, consumer, healthcare or other sectors. To the extent that it does so, developments affecting companies in that sector or sectors will likely have a magnified effect on the strategies' investment returns. A strategy's concentration in securities of a particular sector may subject it to more volatile price movements than a securities portfolio diversified across multiple sectors.

Foreign Investment Risk

Each of our investment strategies may invest in foreign securities traded on U.S. exchanges, but limits ADR's and ADS's to a maximum of 15%. Investments in foreign securities may be riskier than U.S. investments for a variety of reasons such as, without limitation, unstable international, political and economic conditions, currency fluctuations, and foreign governmental control of some issuers.

Liquidity Risk

Liquidity is the ability to readily convert an investment into cash. Generally, assets are more liquid if many traders are interested in a standardized product. For example, Treasury Bills are highly liquid, while real estate properties are not. Some small companies may have less liquidity than other larger cap companies.

Small Company Risk

Our Small Cap Growth and Micro Cap Growth strategies each invest in small companies that may be considered to involve more risk than large cap companies. Small companies have limited markets, limited product lines and less access to capital markets than larger companies. This can cause the prices of the small companies to be more volatile than larger companies or to decline more significantly in market downturns.

Initial Public Offerings (IPO's) Risk

Magee Thomson may participate in initial public offerings ("IPOs"). Some successful IPOs may have a significant impact on investment performance, especially if the account has lower asset levels. In addition, as account assets grow, the positive impact of successful IPOs on performance tends to decrease.

Magee Thomson does not represent, guarantee or imply that the services or methods of analysis employed by us can or will predict future results, identify market tops or bottoms or insulate clients from losses due to individual security declines or market corrections or declines. All investing involves a risk of loss. Clients should be prepared to bear losses in their accounts.

Before entering into an agreement with Magee Thomson, a client should carefully consider: (1) committing to management only those assets that the client believes will not be needed for current purposes and that can be invested on a long-term basis, usually a minimum of three to five years, (2) that volatility from investing in the stock market can occur, and (3) that over time the client's assets may fluctuate and at anytime be worth more or less than the amount invested.

Magee Thomson does not represent, guarantee or imply that the services or methods of analysis employed by us can or will predict future results, successfully identify market tops or bottoms, or insulate clients from losses due to market corrections or declines.

Item 9 - Disciplinary Information

Magee Thomson and its employees have not been involved in any legal or disciplinary events that would be material to a client's evaluation of the firm or its personnel.

Item 10 - Other Financial Industry Activities and Affiliations

Magee Thomson does not have any affiliated organizations.

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

Magee Thomson has adopted a written "Code of Ethics" that sets forth our standard of business conduct as a fiduciary and specifically requires that our employees comply with SEC Rule 204A-1 under the Investment Advisers Act. Our code provides our employees with guidance in their ethical obligations regarding their fiduciary duties to our clients and their personal security transactions. The Code includes general requirements that employees comply with their fiduciary obligations to clients and applicable securities laws, along with specific requirements relating to, among other things, pre approval and reporting of certain personal trading activity, prevention of insider trading, mitigation of conflicts of interest and maintaining confidentiality of client information.

Employees of the firm must act for the benefit of the client and no client will be favored over another.

In accordance with our Code of Ethics and Insider Trading Policy our partners and employees are not allowed to participate in client transactions in their personal accounts. However, some of our employees may invest personally in the same securities that we invest in for clients, and may own the same securities that we later invest in for clients. Our Code contains procedures designed to address the conflicts that arise with regard to personal trading by Magee Thomson employees. For example, employees are required to report all personal securities transactions no less than quarterly, and obtain pre-approval for certain transactions. In order to ensure that each of our personnel strictly adheres to the highest standards of conduct integrity in conducting business on behalf of our clients, we have each partner and employee sign our Insider Trading Policy and Code of Ethics annually. Employees must report any violations of the Code of Ethics to the Chief Compliance Officer.

Magee Thomson employees may also buy or sell specific securities for their own accounts based on personal investment considerations, which Magee Thomson does not deem appropriate to buy or sell for clients.

Clients and prospective clients can obtain a copy of our Code of Ethics (which includes our Insider Trading Policy) and other compliance policies and procedures by contacting us at: Magee Thomson Investment Partners, LLC

12531 High Bluff Dr., Suite 120

San Diego, CA 92130

Phone: 858-350-5050

Fax: 858-350-5051

Email: info@mt-invest.com

Item 12 - Brokerage Practices

Magee Thomson generally has the authority to determine, without a client's consent, the securities to be bought or sold, the amount of those securities, the broker/dealer to be used, and the commission rates paid. Please refer to **Item 16** for detailed information regarding our investment discretion and authority.

Magee Thomson maintains a list of brokers ("Qualified Brokers") that meet our standards with respect to execution and research capabilities. The amount of commissions paid to these brokers is reviewed periodic by investment personnel and updated as appropriate, including targets for commissions to be paid to each, subject to the fundamental policy of obtaining best execution on each trade. The amount of commissions allocated to each broker is strictly a target and not an obligation.

In seeking best execution for clients' transactions, we consider a full range and quality of brokerage services including, but not limited to the following: a) execution capabilities, b) trading expertise, c) market conditions, d) commissions costs, e) quality of research provided by analysts, and f) liquidity.

We also perform periodic reviews of executions received to help ensure the clients are receiving overall best execution.

Order Aggregation

From time to time, Magee Thomson may determine that the purchase or sale of a particular security is appropriate for multiple client accounts based on a variety of reasons. When this happens, we may determine that it is appropriate in the interests of efficient and effective execution to attempt to execute the trade orders as one or more block trades (i.e. aggregate the individual trade for each account into one or more trade orders.). These circumstances may, in turn, give rise to actual or potential conflicts of interest among the accounts for whom the security purchase or sale is appropriate, and among the subset of those accounts actually participating in a block trade, especially if the block trade order results in a partial fill. In order to address these conflicts, we have adopted certain policies and procedures that we follow when aggregating trades in an effort to provide an objective and equitable method of trade allocation so that all clients are treated fairly. The basic objectives of these policies and procedures are as follows:

- We will only aggregate trades when we believe that such aggregations are consistent with our duty to seek best execution for our clients.
- No account will be favored over any other account.
- Each account that participates in an aggregated transaction shall participate at the average of the executed share price for that security, with all transaction costs shared on a *pro rata* basis.

IPO Allocation Policy

Magee Thomson may, from time to time, when consistent with a client's investment objectives, strategy and restrictions, purchase a security in an initial or secondary public offering ("IPO") for certain client accounts. When this occurs it is our intention to allocate IPO shares among participating accounts in an equitable manner as not to give one client

preference over another. If we do not receive a full allocation, then the shares will be allocated to the participating accounts on a pro-rata basis, with the exception that we will not allocate to any account where such allocation would result in a de minimis amount of shares. Magee Thomson reserves the right to make exceptions to this policy if we believe it is in the best interest of clients to do so.

Directed Brokerage

In circumstances where Magee Thomson is directed by a client to execute all or a portion of the client's transactions through a specific broker (aka "Directed Brokerage"), the client should understand that: (1) we usually do not negotiate specific brokerage commission rates with the broker on client's behalf, or seek better execution services or prices from other broker/dealers and, as a result, the client may pay higher commissions and/or receive less favorable net prices on transactions for their account than might otherwise be the case, (2) transactions for that account generally will be effected independently unless we decide to purchase or sell the same security for several clients at approximately the same time (block trade), in which case we may include such client's transaction with that of other clients for execution by the same broker or perform a "step out" transaction (*i.e.*, execute a portion of the blocked trade with the directed broker), and (3) conflicts may arise between the client's interest in receiving best execution with respect to transactions effected for the account and Magee Thomson's interest in potentially receiving future client referrals from the broker. Therefore, prior to directing us to use a specific broker-dealer, a client should consider whether, under that restriction, execution, clearance and settlement capabilities, commission expenses and whatever amount is allocated to custodian fees, if applicable, would be comparable to those otherwise obtainable. Clients should understand that he/she might not obtain commissions rates as low as it might otherwise obtain if we had discretion to select other broker-dealers.

All directed brokerage arrangements must be provided to Magee Thomson in writing by the client. A client must also notify us in writing if the client decides to terminate the directed brokerage arrangement.

Soft Dollar Considerations

Subject to the policy of seeking best execution for transactions, and also subject to the criteria of Section 28(e) of the Securities and Exchange Act of 1934 ("Section 28(e)"), Magee Thomson may, in circumstances where it has brokerage discretion and in which execution is comparable, place trades with a broker that is providing brokerage and research services to us ("Research Broker"). Brokerage and research services provided by Research Brokers may include, among other things, effecting securities transactions and performing services incidental thereto (such as clearance, settlement and custody) and providing information regarding the economy, industries, sectors of securities, individual companies, statistical information, taxation; political developments, legal developments, technical market action, pricing and appraisal services, credit analysis; risk measurement analysis and performance analysis. Such research services can be received in the form of written reports, telephone conversations, personal meetings with security analysts and/or individual company management, and attending conferences. The research services provided by a Research Broker may be proprietary and/or provided by a third party (*i.e.* originates from a party independent from the broker provided the execution services).

In selecting a Research Broker, we will make a good faith determination that the amount of the commission charged is reasonable in relation to the value of the brokerage and research services received, viewed in terms of either the specific transactions or our overall responsibility to the accounts for which we exercise investment discretion. Subject to Section 28(e), Magee Thomson may pay a Research Broker a brokerage commission in excess of that which another broker might have charged for effecting the same transaction, in recognition of the value of the brokerage and/or research services provided by the broker. This practice is commonly referred to as "soft dollars". Magee Thomson believes it is imperative to its investment decision-making process to have access to this type of research and brokerage.

Research services provided by Research Brokers may be used by Magee Thomson in servicing any or all of our clients, and may be used in connection with clients other than those making the payment of commissions to a Research Broker, as permitted by Section 28(e). In other words, there may be certain client accounts that benefit from the research services, which did not make the payment of commissions to the Research Broker providing the services. The receipt of such research may be deemed to be the receipt of an economic benefit by Magee Thomson, and although customary, may be deemed to create a conflict of interest between Magee Thomson and our clients. Therefore, we believe it is important for clients to be aware of the issues surrounding our soft dollars practices.

Magee Thomson has entered into the following third party soft dollar arrangements:

Research provided by Instinet:

Briefing.com
H.C. Wainwright Economics
NASDAQ
New York Stock Exchange
Omgeo
Institutional Shareholder Services
Russell Investment Group
Standard & Poors
Thomson Reuters
FactSet Research Systems

The soft dollar commission payment expectation under this soft dollar arrangement is at a current ratio of 1.0 (i.e., 1.0 times the actual cost of the research product), and the commission cost is approximately 5 cents per share.

Research provided by Gordon Haskett:

INDATA

The soft dollar commission payment expectation under this soft dollar arrangement is at a current ratio of 1.00 and the commission cost is approximately 5 cents per share.

Research provided by O'Neil Securities:

William O'Neil Direct Access (WONDA)

The soft dollar commission payment expectation under this soft dollar arrangement is at a current ratio of 1.1 and the commission cost is approximately 5 cents per share.

The third party research received under the soft dollar arrangements outlined above is paid for with client commissions and there may be times where we pay more commission per share if we believe that the amount of additional commission is reasonable in relation to the value of the brokerage and research services received.

In addition to these third party soft dollar arrangements, Magee Thomson periodically receives proprietary research from various broker-dealers that execute client securities transactions. The payment for such research is included in the total commission cost per share and is not otherwise broken out or itemized by the executing broker-dealer.

In connection with providing our services, Magee Thomson may send certain employees to conferences sponsored by one of the brokers we trade through or an issuer we invest in. The length of a conference may vary from several hours to all day and multi-day events. While the benefit we receive is non-monetary, we have estimated the cost of attendance for one of our employees to attend an all day conference (that has no entry cost and offers a complementary meal) to be approximately \$400.

In some cases, Magee Thomson receives services provided by Research Brokers that are utilized for both research and non-research (e.g. administrative, marketing or accounting services etc.) purposes. When this happens, we make a good faith allocation between the non-research portion of the services received, and pay "hard dollars" (i.e., pay with firm money) for the non-research portion. In making good faith allocations between research services and non-research services, a conflict of interest may exist by reason of our allocation of the costs of such services and benefits between those that primarily benefit Magee Thomson and those that primarily benefit our clients. To address the conflicts surrounding soft dollar arrangements, Magee Thomson has adopted written policies and procedures regarding trading and brokerage selection. In addition, we perform periodic reviews of our soft dollar arrangements to help ensure they are in the best interests of our clients.

As a matter of policy we do not engage in the practice of using client brokerage transactions to pay for client referrals.

Item 13 - Review of Accounts

Magee Thomson's lead portfolio managers, investment analysts, and client service professionals work together to review all client accounts on a regular basis, at least quarterly. Most if not all accounts will be reviewed more frequently, as often as daily. Among other things, the reviewers evaluate the composition of the portfolios relative to the benchmark, relative to other client accounts, review other risk and other statistics. They have access to a proprietary daily monitoring system that monitors each portfolio's performance, holdings and weightings and monitor each strategy's adherence to its investment style and process.

Additionally, our trade order management system systematically monitors daily trading activities for compliance with client and regulatory guidelines by flagging trades before execution that may violate client guidelines. These systems inform and prohibit the execution of certain trades that are not consistent with client guidelines and restrictions. Post-trade, Compliance Team members manually review portfolio transactions on a regular basis.

Written brokerage statements are generated no less than quarterly and are sent directly to clients from their custodian. These reports list the account positions, activity in the account over the covered period, and other related information, including deduction of any advisory fees.

In addition to the regular statements clients receive from their custodian(s), each month Magee Thomson provides a written investment report to each client. The report typically includes a market overview, detailed portfolio holdings, purchases and sales for the reporting period, and a performance summary compared to the target benchmark. The quarterly review includes product specific commentary for the most recent quarter, performance attribution and portfolio strategy. The quarterly newsletter provides a more general overview of the firm's strategy and performance for all the firm's products. Other information is also often provided at the client's request. Magee Thomson is willing to design and provide customized reports of any frequency, content, or format as necessary.

Clients are urged to compare the reports received from Magee Thomson to those received from the account custodian.

Item 14 - Client Referrals and Other Compensation

Client Referrals

Magee Thomson does not compensate any third party individuals or firms for client referrals.

Other Compensation

Magee Thomson has soft dollar arrangements with various broker-dealers. Please refer to item 12 for more detailed information regarding those arrangements.

Item 15 - Custody

Magee Thomson does not have custody of our client's assets. Clients will receive custodial statements directly from their custodian. Magee Thomson provides clients monthly statements which include all transaction activity in their account. Each month Magee Thomson reconciles the custodian's statement to our individual client account statements. Additionally we recommend that each client conduct their own reconciliation to their custodial account and contact their custodian and Magee Thomson to resolve any discrepancies.

Item 16 - Investment Discretion

Magee Thomson has full investment discretion for the management and trading of client accounts. Each client grants Magee Thomson a limited power of attorney for the management and trading of assets by entering into a written investment advisory agreement. Certain clients may place restrictions on the account by establishing guidelines, broker direction or security restrictions in the investment advisory agreement.

However, the investment advisory agreement does not give Magee Thomson the authority to take position or appropriate to Magee Thomson's use any of the assets in the account.

Item 17 - Voting Client Securities

Magee Thomson Investment Partner's has written policies and procedures for voting proxies on behalf of the firm's clients. Therefore, unless the client expressly reserves proxy voting responsibility, it is the firm's responsibility to vote proxies relating to securities held for the client's account. We utilize an independent third party proxy voting service to assist the firm in monitoring and voting proxies. Fiduciary obligations of prudence and loyalty require an investment adviser with proxy voting responsibility to vote proxies on issues that affect the value of the client's investment. Proxy voting decisions must be made solely in the best interests of the client. In voting proxies, the firm is required to consider those factors that may affect the value of the client's investment and may not subordinate the interests of the client to unrelated objectives. If at any time, Magee Thomson and/or the third party service provider becomes aware of any type of potential or actual conflict of interest relating to a proxy proposal, such conflict will promptly be reported to the Chief Compliance Officer and may be handled in a number of ways depending on the type and materiality but must always be in the clients best interest.

Clients and prospective clients can obtain a copy of our Proxy Voting Policy and Procedures and other compliance policies and procedures by contacting us at:

Magee Thomson Investment Partners, LLC
12531 High Bluff Dr., Suite 120
San Diego, CA 92130
Phone: 858-350-5050
Fax: 858-350-5051
Email: info@mt-invest.com

Item 18 – Financial Information

Magee Thomson does not require or solicit prepayment of more than \$1200 in fees per client, six months or more in advance and therefore is not required to include a balance sheet with this Brochure. Magee Thomson 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.