

# **Form ADV Part 2A**

## **Firm Brochure**

**Parker Investment Management, LLC**

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This brochure provides information about the qualifications and business practices of Parker Investment Management, LLC ("Parker Investment"). If you have any questions about the contents of this brochure, please contact us by telephone at (650) 326-0387 and/or email at [staff@parkerinvest.com](mailto:staff@parkerinvest.com).

Parker Investment is an SEC registered investment adviser. Registration does not imply a certain level of skill or training. 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 Parker also is available on the SEC's website at [www.adviserinfo.sec.gov](http://www.adviserinfo.sec.gov).

Date of the Brochure: March 30, 2018

**Item 2: Summary of Material Changes**

There were no material changes since the last annual updating amendment filed on March 6, 2017. However, other changes have been made to this brochure. Consequently, we encourage you to read this brochure in its entirety.

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## **Item 4: Advisory Business**

### **4.A Firm Description and Principal Owner(s)**

Parker Investment Management, LLC (“Parker Investment” or “We”) was formed on March 6, 2007 with the goal of providing asset management services to clients in a manner that delivers results accordant with the firm’s founding principles.

The history of the firm dates back to 1987 when founder John W. Parker began providing investment services to clients on a part-time basis. In 1999 Mr. Parker’s firm became a federally registered investment advisor, and in 2010 Mr. Parker changed his business structure from a sole proprietorship to a single-member LLC.

Mr. Parker is the sole owner.

### **4.B Types of Advisory Services**

We offer investment management services to individuals, pension plans, charitable organizations, and corporations. We invest primarily in no-load mutual funds and exchange traded funds (ETFs). Clients can choose one of three customizable strategies: Growth, Growth & Income, or Income. In addition, we may purchase in client accounts individual stocks. We may further customize our investment strategies to the unique circumstances of clients. We also provide investment advice on a non-discretionary basis. Such advice may be provided at a client’s request and we do not typically provide continuous and regular supervisory or management services over those non-discretionary accounts.

### **4.C Tailored Services and Client Restrictions**

We generally have full discretion to trade our clients’ accounts, which means we decide what to buy and sell and when to do so without first consulting with our clients before making a trade. We tailor our advisory services to the individual needs of our clients based upon different factors including, but not limited to, clients investment objectives, risk tolerance, tax concerns, minimum holding periods required by securities in which clients assets are invested, effect of possible transaction fees on the portfolio, institutional rules limiting the number or size of transactions, and other factors. As a consequence, transactions, holdings and results will likely vary from client to client and from account to account.

### **4.D Wrap Fee Programs**

We do not participate in any wrap fee programs.

### **4.E Client Asset Amounts**

As of December 31, 2017, we managed approximately \$357,200,000 of client assets on a discretionary basis and \$1,500,000 of client assets on a non-discretionary basis.

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

### **5.A Fee Schedule**

We offer two methods for calculating our fee for our standard service ("Management Fee") – an Assets Based Method and a Gains Based/Minimum Fee Method. Our fees for our standard service are not negotiable. Occasionally, we accept a short-term special project, the fees for which are negotiated.

#### **Assets Based Method of Compensation**

Our Assets Based Fee Rate is 0.25% per calendar quarter (which is roughly equivalent to an annual fee of 1.0%). The Assets Based Fee Rate is applied to the account value on the last day of the quarter to calculate the Assets Based Management Fee.

#### **Gains Based/Minimum Fee Method of Compensation**

The basic idea of the Gains Based/Minimum Fee Method is to charge a fee equal to 10% of the investment gain due to the investments in the account during the period since the last gains fee, subject to a minimum fee of one-eighth of one percent of the account value in quarters when the amount of the gains fee would be less than this. Any Minimum Fees charged would be included as credits in calculating any future gains fees.

### **5.B Frequency of Billing and Payment Options**

We send the client a bill for the management fee after each calendar quarter. We may choose to not send a bill if the management fee is less than a threshold amount of our choosing, and may instead defer billing until a future quarter. The client will have the option to pay the management fee either: (a) by direct payment to us; or (b) by authorizing us to deduct the management fee from its corresponding account(s); or (c) by instructing us to deduct the management fee for one or more of the client's retirement accounts from the client's non-retirement account(s) under our management. The client can indicate whether the instructions are for that calendar quarter only or whether they are also "Standing Instructions" to do the same in all future quarters. The client has the opportunity to update its instructions any time in the future, and we send the client a form to update management fee deduction instructions each time we send a bill even if the client has "Standing Instructions".

If we have not received the client's direct payment within thirty (30) days after we mail the client's bill for the management fee, then we may deduct the management fee from the client's corresponding account(s) without separate authorization from the client. Any management fees that are deducted from the client's account are treated as a client withdrawal when calculating future management fees.

### **5.C Other Fees**

Parker Investment's fees are exclusive of any, to the extent relevant, fees paid to independent third parties for services including, but not limited to custodial fees, brokerage commissions, transaction fees, bank service fees, wire transfer and electronic fund transfer fees, short-term redemption fees, margin borrowing, and other fees and taxes on brokerage

accounts and securities transactions. Clients may invest in mutual funds as part of Parker Investment's investment strategy. Investments in mutual funds and ETFs, however, generally include an embedded investment management fee paid to the investment adviser of the mutual fund. As such, client portfolios with investments in those types of securities will be subject to two layers of management fees.

Also, we sometimes choose to buy a different class of a mutual fund which currently has a \$30 buy and a \$30 sell fee charged by Fidelity if: (a) that class of the mutual fund has a lower internal fund expense ratio than the class which has no buy or sell fees; and (b) the anticipated savings, based on our expectation of how long we will hold that fund, from the lower internal fund expense ratio will be greater than the combined buy and sell fee.

## **5.D Fees Paid In Advance**

There are no fees paid in advance.

## **5.E Other Forms of Compensation**

We do not receive any form of compensation from the buying or selling of securities nor commissions.

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

As described in "Item 5: Fees and Compensation", our management fee in some of our accounts is determined using the Gains Based/Minimum Fee Method. This method is a performance-based fee, which means that our fee is based on a share of the gains in the account. As also described in "Item 5: Fees and Compensation", our management fee in other of our accounts is determined using the Assets Based Method.

We attempt to address possible conflicts of interest and possibility of favoring different accounts, such as accounts of different sizes (e.g. large vs. small) and different billing methods (e.g. the Gains Based/Minimum Fee Method vs. the Assets Based Method), in the following ways:

- We invest in very liquid, public securities in client accounts. We do not run into issues where limitations on the quantity of securities available to buy or sell force us to make subjective judgment calls regarding trade allocations.
- We decide whether or not to rebalance an account by looking at the individual positions we hold across all our accounts, not in which accounts a particular security is held. We do not take into consideration which billing method the account uses when we are considering which accounts to rebalance and what trades to make.
- In formulating our decision to trade a position, we have customized in-house methods to examine all our accounts using various criteria to see which accounts meet our specified criteria for rebalancing. For example, our criteria might include: (a) how long we have held that position (e.g. shorter or longer than the minimum holding period for that position to avoid short-term trading fees); (b) what percentage of the account that position represents; (c) what percentage of an asset class that

security represents; (d) transaction fees as a percentage of the dollar value of the transaction in the account; (e) what are the unrealized gains of the position in a taxable account. In taxable accounts, taxes can have a significant impact on the net performance of the portfolio. As a result, we seek to maximize after-tax returns whenever possible for taxable accounts.

## **Item 7: Types of Clients**

We provide investment advisory services to individuals, high net worth individuals, pension and profit share plans, trusts, estates, charitable organizations, corporations, and other business entities. There is no minimum account size required to open or maintain an account.

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

### **8.A Investment Strategies**

Our core investment strategy has two key elements. First we determine the relative weightings within the client's parameters to give to different asset classes based on our evaluation of which will outperform market averages for our investment time horizon. Then we implement the allocations to those asset classes by identifying what we believe will be the best performing no-load mutual funds and/or exchange-traded funds (ETFs) within those asset classes. Occasionally, we may purchase in client accounts individual stocks which we think have a very attractive long-term outlook that also meet our other criteria for security selection within the portfolio. We may also offer a customized option strategy using covered call options. Implementing an option strategy requires a client to complete the custodian's application and receive approval from the custodian.

Rather than maintaining a fixed allocation to the major asset classes, we vary the weighting of different asset classes during different time periods depending on market conditions, our expectations of their future performance, as well as other factors. As a result, our portfolios may be concentrated in certain asset classes rather than broadly diversified. We pay particular attention to the relative performance of the following major asset classes:

- Fixed income versus equity
- US versus foreign equities
- Developed versus emerging markets
- Large- versus mid- versus small-cap stocks
- Growth versus value stocks

### **8.B Investment Principles**

Minimizing the costs of investing is vital for long-term investment success. Costs matter because investment returns are reduced dollar-for-dollar by the fees, commissions, and transaction expenses incurred. We take pride in keeping the cost of managing our client accounts low by implementing our investment strategy as described above.

Account holdings and performance can vary from account to account, depending on such factors as when money was deposited or withdrawn and tax considerations for taxable



accounts. When money is deposited or withdrawn, we consider tax consequences, transaction fees as a percentage of the transaction amount, and market conditions in deciding what to buy or sell, so the relative weighting of the holdings in the account may change.

## **8.C Research and Analysis**

In formulating and undertaking our investment strategy, we analyze a variety of factors.

We identify price trends by looking at charts comparing relative strength of different asset categories using a proprietary system which we developed. We also identify trends by paying attention to data relating to money flows, such as mutual fund flow data. We obtain information about institutional fund flows by listening to institutional asset managers, reading their commentaries and reports sent to financial professionals. We pay close attention to studies of investor sentiment and how investors are investing their money. Interpreting this information is an art. When everyone likes an asset class, it is probably near a top, but smart institutional investors often give the first indication of a trend change when they begin to show interest in an out-of-favor asset class.

We also pay close attention to volatility, which often gives us information about whether a trend is in an early or a late stage. Volatility tends to increase as valuations become extended in the late stages of a trend, which is a signal for us to begin to readjust our holdings.

## **8.D Sources of Information**

The main sources of information that we draw from include real-time and historical market data, live market news provided online and on television networks, proprietary research purchased by subscriptions, research materials prepared by financial institutions for financial professionals, product-specific research analyses conducted by the investment staff during due diligence processes, phone calls and interviews with institutional management teams, financial newspapers and magazines, newsletters, and other electronic financial publications.

## **8.E Risk of Loss**

All investing and trading activities risk the loss of capital. There is no assurance can be given that the investment activities of an account we advise will achieve the investment objectives of such account or avoid losses. Investing in securities involves risk of loss that you should be prepared to bear. We do not represent or guarantee that our services or methods of analysis can or will predict future results, successfully identify market tops or bottoms, or insulate you from losses due to market corrections or declines. We cannot offer any guarantees or promises that your financial goals and objectives will be met. Past performance is in no way an indication of future performance. It is important that you understand the risks associated with investing.

Except as may otherwise be provided by law, we are not liable to clients for:

- Any loss arising from our adherence to your instructions or the disregard of our recommendations made to you; or
- Any act or failure to act by a custodian or other third party to your account.

The information included in this brochure does not include every potential risk associated with an investment strategy, technique or type of security applicable to a particular client account. You are encouraged to ask questions regarding risks applicable to a particular strategy or investment product and read all product-specific risk disclosures. It is your responsibility to give us complete information and to notify us of any changes in financial circumstances or goals.

There are certain additional risks associated when investing in securities; including, but not limited to:

- Market Risk: Either the stock market as a whole, or the value of an individual company, goes down resulting in a decrease in the value of client investments. This is also referred to as systemic risk.
- Legal and Regulatory Risks: The regulation of the U.S. and non-U.S. securities markets investment funds has undergone substantial change in recent years and such change may continue. The effect of such regulatory change on the accounts and/or the underlying investment funds could be difficult to predict.
- Inflation Risk: The Firm's portfolios face inflation risk, which results from the variation in the value of cash flows from a financial instrument due to inflation, as measured in terms of purchasing power.
- Market or Interest Rate Risk: The price of most fixed income securities move in the opposite direction of the change in interest rates. For example, as interest rates rise, the prices of fixed income securities fall. If the Firm holds a fixed income security to maturity, the change in its price before maturity may have little impact on the Firm portfolios' performance. However, if the Firm determines to sell the fixed income security before the maturity date, an increase in interest rates could result in a loss.
- Market Volatility: The profitability of the portfolios substantially depends upon the Firm correctly assessing the future price movements of stocks, bonds, options on stocks, and other securities and the movements of interest rates. The Firm cannot guarantee that it will be successful in accurately predicting price and interest rate movements.
- Trading Limitations: For all securities, instruments and/or assets listed on an exchange, including options listed on a public exchange, the exchange generally has the right to suspend or limit trading under certain circumstances. Such suspensions or limits could render certain strategies difficult to complete or continue and subject the account to loss. Also, such a suspension could render it impossible for the Firm to liquidate positions and thereby expose the Client account to potential losses.

- Recommendation of Particular Types of Securities: In some cases, the Firm recommends mutual funds. There are several risks involved with these funds. These funds have portfolio managers that trade the fund's investments in agreement with the fund's objective and in-line with the fund prospectus. While these investments generally provide diversification there are some risks involved especially if the fund is concentrated in a particular sector of the market, uses leverage, or concentrates in a certain type of security (i.e. foreign equities). The returns on mutual funds can be reduced by the costs to manage the funds. Open end funds may have a diluted effect on other investors' interest due to the structure of the fund while closed end funds have limited shares which rise and fall in value according to supply and demand in the market. As a result, closed end funds typically price differently than the net asset value (NAV).
- Firm's Investment Activities: The Firm's investment activities involve a significant degree of risk. The performance of any investment is subject to numerous factors which are neither within the control of nor predictable by the Firm. Such factors include a wide range of economic, political, competitive and other conditions (including acts of terrorism and war) that may affect investments in general or specific industries or companies. The markets may be volatile, which may adversely affect the ability of the Firm to realize profits on behalf of its Clients. As a result of the nature of the Firm's investing activities, it is possible that the Firm's results may fluctuate substantially from period to period.
- Equity (Stock) Market Risk: Common stocks are susceptible to general stock market fluctuations and to volatile increases and decreases in value as market confidence in and perceptions of their issuers change. If you held common stock, or common stock equivalents, of any given issuer, you would generally be exposed to greater risk than if you held preferred stocks and debt obligations of the issuer.
- Company Risk: When investing in stock positions, there is always a certain level of company or industry specific risk that is inherent in each investment. This is also referred to as unsystematic risk and can be reduced through appropriate diversification. There is the risk that the company will perform poorly or have its value reduced based on factors specific to the company or its industry. For example, if a company's employees go on strike or the company receives unfavorable media attention for its actions, the value of the company may be reduced.
- Risks Associated with Fixed Income: When investing in fixed income instruments such as bonds or notes, the issuer may default on the bond and be unable to make payments. Further, interest rates may increase and the principal value of your investment may decrease. Individuals who depend on set amounts of periodically paid income face the risk that inflation will erode their spending power.

- ETF and Mutual Fund Risk: The pricing of ETFs and mutual funds have an expense ratio reflecting the funds' management fees, operating expenses, and marketing expenses if applicable. The risk of owning an ETF or mutual fund generally reflects the risks of owning the underlying securities the ETF or mutual fund holds. Clients will also incur brokerage costs when purchasing ETFs.
- Options Risk: Options on securities may be subject to greater fluctuations in value than an investment in the underlying securities. Purchasing and writing put and call options are highly specialized activities and entail greater than ordinary investment risks.
- Liquidity Risk: Liquidity risk can also result in unfavorable pricing when exiting (i.e. not being able to quickly get out of an investment before the price drops significantly) a particular investment and therefore, can have a negative impact on investment returns.
- Strategy Risk: Your investments will vary with the success and failure of our investment strategies, research, analysis and determination of portfolio securities. If you implement our financial planning recommendations and our investment strategies do not produce the expected results, you may not achieve your objectives.
- Call Risk: Bonds that are callable carry an additional risk because they may be called prior to maturity depending on current interest rates thereby increasing the likelihood that reinvestment risk may be realized.
- Credit Risk: The price of a bond depends on the issuer's credit rating, or perceived ability to pay its debt obligations. Consequently, increases in an issuer's credit risk, may negatively impact the value of a bond investment.
- Speculation Risk: The financial markets are populated by certain traders whose primary interest is in making short-term profits by speculating whether the price of a security will go up or go down. The speculative actions of these traders may increase market volatility that could drive down the prices of securities.
- Geopolitical Risk: The risk an investment's returns could suffer as a result of political changes or instability in a country. Instability affecting investment returns could stem from a change in government, legislative bodies, other foreign policy makers or military control.
- Currency Risk: Overseas investments are subject to fluctuations in the value of the dollar against the currency of the investment's originating country. This is also referred to as exchange rate risk.
- Key Person Risk: Primary responsibilities for the management of the clients'

assets are made by Mr. Parker, the Sole Member. As a result, the continuation of the Firm's advisory services is dependent heavily upon the ability of Mr. Parker to provide investment advice. Consequently, in the event of Mr. Parker's death or permanent disability, the Firm may be unable to furnish investment advice to its clients. The Firm is currently developing a succession plan.

- Foreign Market Risk: The securities markets of many foreign countries, including emerging countries, have substantially less trading volume than the securities markets of the United States, and securities of some foreign companies are less liquid and more volatile than securities of comparable United States companies. As a result, foreign securities markets may be subject to greater influence by adverse events generally affecting the market, by large investors' trading significant blocks of securities, or by large dispositions of securities, than as it is in the United States. The limited liquidity of some foreign markets may affect our ability to acquire or dispose of securities at a price and time it believes is advisable. Further, many foreign governments are less stable than that of the United States. There can be no assurance that any significant, sustained instability would not increase the risks of investing in the securities markets of certain countries.

## **Item 9: Disciplinary Information**

We are required to disclose certain legal or disciplinary events that are deemed material to a client's or prospective client's evaluation of our advisory business or the integrity of our management. Parker Investment and our management personnel have no reportable disciplinary events to disclose.

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

### **10.A Broker-Dealer Affiliations**

Neither our company nor any of our personnel is registered or has an application pending to register as a broker-dealer or a registered representative of a broker-dealer.

### **10.B Futures and Commodity Affiliations**

Neither our company nor any of our personnel is registered or has an application pending to register as a futures commission merchant, commodity pool operator, a commodity trading advisor, or an associated person of the foregoing entities.

### **10.C Related Person Affiliations**

We do not believe that Parker Investment has a relationship or arrangement with any related person or company that would create a material conflict of interest with our advisory business or clients.

## **10.D Affiliations With Other Investment Advisors**

We do not recommend or select other investment advisors for clients and do not receive compensation directly or indirectly from any other investment advisors.

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

### **Summary Description of Our Code of Ethics**

An investment adviser is considered a fiduciary and our firm has a fiduciary duty to all clients. As a fiduciary, we have a responsibility to provide fair and full disclosure of all material facts and to act solely in the best interest of each of our clients at all times. Our fiduciary duty is considered the core underlying principle for our Code of Ethics and the Standards of Professional Conduct ("Code") which also includes Insider Trading and Personal Securities Transactions Policies and Procedures.

In order to address conflicts of interest, we have in place a set of procedures (including a pre-clearing procedure) with respect to transactions effected by our employees. In order to monitor compliance with our personal trading policy, we have a quarterly securities transaction reporting process for all of our employees. Our access persons are required to sign an acknowledgement that they have read, understand, and agree to comply with our Code.

We invest in certain securities that we also invest in for clients. We believe our trading does not create a material difference in the price of securities that we buy and sell in our accounts compared to the prices that we buy and sell these for in our clients' accounts. In order to minimize conflicts of interest, our employees will place client interests ahead of their own interests and adhere to our firm's Code.

A copy of the Code will be furnished to clients or prospective clients upon written request.

## **Item 12: Brokerage Practices**

### **12.A Factors Considered in Broker Selection**

We seek to recommend broker-dealers who will hold your assets and execute transactions on terms that are advantageous when compared to other available providers and their services. We consider a wide range of factors, including, among others:

- Commissions
- Timeliness of execution
- Research services provided
- Custody services provided

- Financial condition
- Business reputation
- Quality of services

We currently have an arrangement with a custodian through which it provides services that include, among others, brokerage, custody, account administration and other related services. The custodian platform services that assist us in managing and administering clients' accounts include a dedicated client service team for advisors, and software and other technology that (a) provide access to client account data; (b) facilitate trade execution, trade aggregated, and trade allocation for multiple client accounts; (c) provide pricing and other market data; (d) facilitate payment of fees from its clients' accounts; and (e) assist with back-office functions, record keeping, and client reporting.

The custodian does not charge our company separately for custody services but is compensated by account holders through commissions and other transaction-related or asset-based fees for securities trades that are executed through the custodian or settle into custodian accounts. We recommend this custodian and its trading platform for client accounts for the following reasons: (a) no fees for opening or maintaining accounts; (b) no fees for buying or selling no-load mutual funds as part of our core strategy provided that these funds are held for their minimum holding period, except as described in "Item 5: Fees and Compensation"; (c) one-day settlement (e.g. the funds from a sale are available in the account on the next market day) on the sale of most mutual funds and two day settlement on the sale of ETFs; (d) on-line access at no charge for clients to monitor account activity and to get copies of recent monthly, year-end, and tax-reporting statements; (e) year-end tax-reporting information; (f) the custodian provides trading execution software, electronic detailed snapshots and trading history of all accounts, electronic trade confirmations of all trades placed, electronic monthly and year-end statements for all accounts, and a full range of back-office support staff and functions; and (g) working with one broker-dealer and trading platform simplifies and reduces the chance of error in our advisory functions.

Broker-dealers may make certain research and brokerage services available at no additional cost to our firm. These services may be directly from independent research companies, as selected by our firm. Research products and services provided by broker-dealers may include research reports on recommendations or other information about particular companies or industries; economic surveys, data and analyses; financial publications; portfolio evaluation services; financial database software and services; computerized news and pricing services; and other products or services that provide lawful and appropriate assistance by broker-dealers to our firm in its investment decision-making responsibilities.

We do not use client brokerage commissions to obtain research or other products or services. The aforementioned research and brokerage services are used by our firm to manage accounts for which we have investment discretion. Without arrangements like these, our firm might be compelled to purchase the same or similar services at our own expense.

As a result of receiving these services, we may have an incentive to continue to use or expand the use of the custodian's services. Our firm examined this potential conflict of interest when we chose to enter into the relationship with a custodian, and we generally believe that the relationship is in the best interest of our clients.

Our clients may pay a commission to the custodian that is higher than another custodian might charge to effect the same transaction. In seeking best execution, the determinative factor is not necessarily the lowest possible cost, but whether the transaction represents the best qualitative execution, taking into consideration the full range of a custodian's services, including factors such as the value of research provided, execution capability, and commission rates. Accordingly, although we will seek competitive rates, to the benefit of all clients, we may not necessarily obtain the lowest possible commission rates for specific client account transactions.

#### **12.A.1 Research and Other Soft Dollar Benefits**

We do not direct client transactions to a particular broker-dealer in return for soft dollar benefits. Although the investment research products and services that may be obtained by our firm will generally be used to service all of our clients, a brokerage commission paid by a specific client may be used to pay for research that is not used in managing that specific client's account.

#### **12.A.2 Brokerage for Client Referrals**

We presently do not receive client referrals from broker-dealers.

#### **12.A.3 Directed Brokerage**

We presently do not permit clients to direct brokerage.

### **12.B Aggregation of Securities Transactions in Client Accounts**

We perform investment management services for various clients. There are occasions on which individual equities and exchange traded funds may be transacted as part of concurrent authorizations to purchase or sell the same individual equities and exchange traded funds for numerous accounts served by our firm, which involve accounts with similar investment objectives ("block transactions"). When such concurrent authorizations occur, the objective is to allocate the executions in a manner which is equitable to the accounts involved. We attempt to allocate trade executions in an equitable manner, taking into consideration client objectives, current asset allocation and availability of funds. We are not required to engage in block transactions. Due to client-specific scenarios, we may not always use block transactions.

## **Item 13: Review of Accounts**

### **13.A Periodic Account Reviews and Reviewers**

The President assisted by the Vice President generally reviews the clients' holdings on a daily basis.

### **13.B Other Account Review Triggers**

Factors which may trigger a more detailed level of review include changes in the market, tax considerations, size of trade, size of allocations to market sectors, information about certain securities, conversations with the clients, among other factors.



### **13.C Content of Regular Reports**

We do not provide regular reports or create account statements. However, we may provide ad-hoc customized reports showing performance or other information from time to time. Also, clients should receive monthly statements directly from the custodian. These statements show all trades made in the client's account, the securities positions and the account value. The clients are able to obtain information about their accounts directly from the custodian through the custodian's website on a real-time basis.

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

### **14.A Incoming Referrals**

Parker Investment does not compensate third-parties for referrals to Parker Investment. Additionally, Parker Investment does not receive any economic benefits from non-clients as a result of our provision of investment advice or advisory services to clients, with the exception of research or execution-related products or services that may be provided by the broker-dealers that we use to execute client transactions. Please refer to the "Brokerage Practices" section above for additional information on these products or services.

### **14.B Other Compensation**

We do not compensate anyone, either directly or indirectly, for client referrals.

## **Item 15: Custody**

All client funds and securities are maintained by a qualified custodian.

It is the custodian's responsibility to provide clients with account statements, confirmations of trading activity, tax forms and at least quarterly account statements. We urge all clients to review the custodian's statements to confirm that all account transactions, including deductions to pay our management fees, remain proper and to contact us with any questions. We urge all clients that receive any reports from Parker Investment to review those reports and to contact us with any questions.

## **Item 16: Investment Discretion**

We accept clients on either a discretionary or non-discretionary basis. For discretionary accounts, a Limited Power of Attorney ("LPOA") is executed by the client, giving us the authority to carry out various activities in the account. We then direct investment of the client's portfolio using our discretionary authority. Under discretionary authority, as outlined in an executed Investment Management Agreement, clients allow us to decide what to purchase and sell in their account(s), arrange for delivery and payment in connection with the foregoing, and act on behalf of the client in matters necessary or incidental to the handling of the account.

Restrictions on our discretionary authority are set by the client on a case by case basis. A client may give us instructions regarding the allocation of an account between different asset classes, such as fixed income, equities, and cash, or may instruct us to purchase or sell specific securities or specific types of securities. Please note that we do not accept requests to purchase

securities which are not highly liquid or securities which we do not follow.

For non-discretionary accounts, the client also generally executes an LPOA, which allows us to carry out trade recommendations and approved actions in the portfolio. However, in these accounts, we do not implement trading recommendations or other actions unless and until the client has approved the recommendation or action. As with discretionary accounts, clients may limit the terms of the LPOA, subject to Parker Investment's agreement with the client and the requirements of the client's custodian.

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

We do not accept proxy authority to vote client securities. The custodian of the account normally provides proxy materials directly to the client. Clients may contact us with questions relating to proxy procedures and proposals; however, we generally do not research particular proxy proposals.

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

Parker Investment does not have any financial commitments that impair our ability to meet our contractual obligations to our clients.