

OT Financial, LLC
d/b/a
Turnstone Financial
Firm Brochure - Form ADV Part 2A

This brochure provides information about the qualifications and business practices of Turnstone Financial. If you have any questions about the contents of this brochure, please contact us at (937) 875-2550 or by email at: tkleptz@turnstonefinancial.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.

Additional information about Turnstone Financial is also available on the SEC's website at www.adviserinfo.sec.gov. Turnstone Financial's CRD number is: 170738.

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Registration does not imply a certain level of skill or training.

Version Date: 03/14/2024

Item 2: Material Changes

There are no material changes in this brochure from the last annual updating amendment of Turnstone Financial on 03/18/2023. Material changes relate to Turnstone Financial's policies, practices or conflicts of interest.

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Item 4: Advisory Business

Business Description

We provide manager selection and supervision services to individuals, business, high-net-worth individuals and charitable organizations. The managers selected may trade in a variety of securities, including mutual funds, fixed income securities, equities, ETFs (including ETFs in the gold and precious metal sectors) and non-U.S. securities. As a registered investment adviser, we are held to the highest standard of client care – a fiduciary standard. As a fiduciary, we always put our client's interests first and must fully disclose any potential conflict of interest. We do not directly hold customer funds or securities.

A. Description of the Advisory Firm

OT Financial, dba Turnstone Financial (hereinafter "TF") is a Limited Liability Company organized in the State of Ohio in May 2010 and has been licensed in Ohio since 2014. The Principal Owner is Thomas Joseph Kleptz.

B. Types of Advisory Services

Selection of Other Advisers

TF has discretion to choose third-party investment advisers to manage all or a portion of the client's assets. Before selecting other advisers for clients, TF will always ensure those other advisers are properly licensed or registered as an investment adviser. TF conducts due diligence on any third-party investment adviser, which may involve one or more of the following: phone calls, meetings and review of the third-party adviser's performance and investment strategy. TF then makes investments with a third-party investment adviser by investing with the third-party adviser. TF will review the ongoing performance of the third-party adviser as a portion of the client's portfolio.

Account Monitoring

TF does provide advisory services without investment management to clients who elect to direct their own investments. In these situations, TF will execute the clients trades on their behalf.

Services Limited to Specific Types of Investments

TF limits its investment advice to selection of other advisers, and such sub-advisers may invest in mutual funds, fixed income securities, equities, ETFs (including ETFs in the gold and precious metal sectors) and non-U.S. securities, and may use other securities as well to help diversify a portfolio when applicable.

Written Acknowledgement of Fiduciary Status

When we provide investment advice to you regarding your retirement plan account or individual retirement account, we are fiduciaries within the meaning of Title I of the Employee Retirement Income Security Act and/or the Internal Revenue Code, as applicable, which are laws governing retirement accounts. The way we make money creates some conflicts with your interests, so we operate under a special rule that requires us to act in your best interest and not put our interest ahead of yours. Under this special rule's provisions, we must:

- Meet a professional standard of care when making investment recommendations (give prudent advice);
- Never put our financial interests ahead of yours when making recommendations (give loyal advice);
- Avoid misleading statements about conflicts of interest, fees, and investments;
- Follow policies and procedures designed to ensure that we give advice that is in your best interest;
- Charge no more than is reasonable for our services; and
- Give you basic information about conflicts of interest.

C. Client Tailored Services and Client Imposed Restrictions

TF will tailor a program for each individual client. When meeting with clients we not only look at age, but family dynamics, financial goals of the client and their beneficiaries, their risk tolerance, future cash flow needs and future inheritances all come in to play when discussing risk tolerance. This will include an interview session to get to know the client's specific needs and requirements as well as a plan that will be executed by TF on behalf of the client. Clients may impose restrictions in investing in certain securities or types of securities in accordance with their values or beliefs. However, if the restrictions prevent TF from properly servicing the client account, or if the restrictions would require TF to deviate from its standard suite of services, TF reserves the right to end the relationship.

D. Wrap Fee Programs

A wrap fee program is an investment program where the investor pays one stated fee that includes management fees, transaction costs, fund expenses, and other administrative fees. TF does not participate in any wrap fee programs.

E. Assets Under Management

TF has \$142,778,241.00 in discretionary assets under management as of December 2023.

Item 5: Fees and Compensation

A. Fee Schedule

Selection of Other Advisers Fees

TF directs clients to third-party investment advisers. TF will be compensated by deducting the advisory fee from the client's account and paying a portion of that fee to the third party manager that was selected. This relationship will be memorialized in each contract between TF and each third-party adviser. The fees shared will not exceed any limit imposed by any regulatory agency. The notice of termination requirement and payment of fees for third-party investment advisers will depend on the specific third-party adviser selected.

TF has discretion to select managers, and currently allocates assets to Carnegie Investment Counsel. The annual fee schedule is as follows:

Total Assets Under Management	Total Fee
Up to \$2,000,000	1.00%
\$2,000,001 - \$4,000,000	.75%
\$4,000,001 - \$6,000,000	.60%
\$6,000,001 - And Up	.45%

The above fee includes the portion paid to the third party adviser. The amount paid to the third party adviser will generally be between 0.20% - 0.25%.

In accounts where TF serves as the financial adviser and Turnstone Private Trust (TPT) serves as the corporate trustee, the above published fee schedule includes the portion that will be shared with TPT for serving as trustee. In some instances, the total fee charged may exceed the above published fee schedule due to minimum fees charged by NATC for corporate fiduciary services. In situations where an account is referred to Turnstone Financial by an outside money manager, the total management fee may also exceed this published fee schedule due to the management fee being charged by the referring institution. In all cases, the fee will be negotiated with the client and disclosed upon executing the opening account documents. This service may be canceled upon written notice.

In addition to the above annual fee schedule, all investment management accounts and trust accounts are subject to a tax prep fee. Non-trust accounts are assessed an annual fee of \$75.00/account. Since trust accounts are required to file an IRS Form 1041 and some trust accounts must also file a state return, tax prep fees vary and are based on charges received by TF by their tax provider.

Total Assets Under Management	Total Fee
Up to \$2,000,000	1.15%
\$2,000,001 - \$4,000,000	0.90%
\$4,000,001 - \$6,000,000	0.75%
\$6,000,001 - And Up	0.60% Negotiable

In accounts where TF serves as the investment adviser and Turnstone Private Trust (TPT) serves as the trustee for an irrevocable trust account, the above published fee schedule includes the portion that will be shared with TPT for serving as trustee.

Non-marketable assets, I.e. notes, real estate and life insurance, are not charged a market value fee. TF will assess a negotiated flat fee per asset that is charged in arrears.

Account Monitoring

TF typically charges .10% for this service. These fees are negotiable.

B. Payment of Fees

Payment of Selection of Other Advisers and Account Monitoring Fees

Fees for selection of third-party advisers and account monitoring are withdrawn directly from the client's account by the custodian. Fees are paid monthly in arrears.

C. Client Responsibility For Third Party Fees

Clients are responsible for the payment of all third party fees (i.e. custodian fees, brokerage fees, mutual fund fees, transaction fees, etc.). Those fees are separate and distinct from the fees and expenses charged by TF. Please see Item 12 of this brochure regarding broker-dealer/custodian.

D. Prepayment of Fees

TF collects its fees in arrears. It does not collect fees in advance.

E. Outside Compensation For the Sale of Securities to Clients

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

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

TF does not accept performance-based fees or other fees based on a share of capital gains on or capital appreciation of the assets of a client.

Item 7: Types of Clients

TF generally provides advisory services to the following types of clients:

- ❖ Individuals
- ❖ High-Net-Worth Individuals
- ❖ Charitable Organizations

There is no account minimum for any of TF's services.

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

A. Methods of Analysis and Investment Strategies

Methods of Analysis

TF's methods of analysis include modern portfolio theory.

Modern portfolio theory is a theory of investment that attempts to maximize portfolio expected return for a given amount of portfolio risk, or equivalently minimize risk for a given level of expected return, each by carefully choosing the proportions of various asset classes.

Investment Strategies

TF recommends long term trading. Sub-advisers may engage in other strategies as outlined in their ADV's.

Investing in securities involves a risk of loss that you, as a client, should be prepared to bear.

B. Material Risks Involved

Methods of Analysis

Modern Portfolio Theory assumes that investors are risk adverse, meaning that given two portfolios that offer the same expected return, investors will prefer the less risky one. Thus, an investor will take on increased risk only if compensated by higher expected returns. Conversely, an investor who wants higher expected returns must accept more risk. The exact trade-off will be the same for all investors, but different investors will evaluate the trade-off differently based on individual risk aversion characteristics. The implication is that a rational investor will not invest in a portfolio if a second portfolio exists with a more favorable risk-expected return profile – i.e., if for that level of risk an alternative portfolio exists which has better expected returns.

Investment Strategies

Long term trading is designed to capture market rates of both return and risk. Due to its nature, the long-term investment strategy can expose clients to various types of risk that will typically surface at various intervals during the time the client owns the investments. These risks include but are not limited to inflation (purchasing power) risk, interest rate risk, economic risk, market risk, and political/regulatory risk.

Selection of Other Advisers: Although TF will seek to select only money managers who will invest clients' assets with the highest level of integrity, TF's selection process cannot ensure that money managers will perform as desired and TF will have no control over the day-to-day operations of any of its selected money managers. TF would not necessarily be aware of certain activities at the underlying money manager level, including without limitation a money manager's engaging in unreported risks, investment “style drift” or even regulator breach or fraud.

Investing in securities involves a risk of loss that you, as a client, should be prepared to bear.

C. Risks of Specific Securities Utilized

Carnegie Investment Counsel, or any other subadviser TF may select, may invest in the securities listed below. Clients should be aware that there is a material risk of loss using any investment strategy. The investment types listed below (leaving aside Treasury Inflation Protected/Inflation Linked Bonds) are not guaranteed or insured by the FDIC or any other government agency.

Mutual Funds: Investing in mutual funds carries the risk of capital loss and thus you may lose money investing in mutual funds. All mutual funds have costs that lower investment returns. The funds can be of bond “fixed income” nature (lower risk) or stock “equity” nature (mentioned below).

Equity investment generally refers to buying shares of stocks in return for receiving a future payment of dividends and/or capital gains if the value of the stock increases. The value of equity securities may fluctuate in response to specific situations for each company, industry conditions and the general economic environments.

Fixed income investments generally pay a return on a fixed schedule, though the amount of the payments can vary. This type of investment can include corporate and government debt securities, leveraged loans, high yield, and investment grade debt and structured products, such as mortgage and other asset-backed securities, although individual bonds may be the best known type of fixed income security. In general, the fixed income market is volatile and fixed income securities carry interest rate risk. (As interest rates rise, bond prices usually fall, and vice versa. This effect is usually more pronounced for longer-term securities.) Fixed income securities also carry inflation risk, liquidity risk, call risk, and credit and default risks for both issuers and counterparties. The risk of default on treasury inflation protected/inflation linked bonds is dependent upon the U.S. Treasury defaulting (extremely unlikely); however, they carry a potential risk of losing share price value, albeit rather minimal. Risks of investing in foreign fixed income securities also include the general risk of non-U.S. investing described below.

Exchange Traded Funds (ETFs): An ETF is an investment fund traded on stock exchanges, similar to stocks. Investing in ETFs carries the risk of capital loss (sometimes up to a 100% loss in the case of a stock holding bankruptcy). Areas of concern include the lack of transparency in products and increasing complexity, conflicts of interest and the possibility of inadequate regulatory compliance. Precious Metal ETFs (e.g., Gold, Silver, or Palladium Bullion backed “electronic shares” not physical metal) specifically may be negatively impacted by several unique factors, among them (1) large sales by the official sector which own a significant portion of aggregate world holdings in gold and other precious metals, (2) a significant increase in hedging activities by producers of gold or other precious metals, (3) a significant change in the attitude of speculators and investors.

Non-U.S. securities present certain risks such as currency fluctuation, political and economic change, social unrest, changes in government regulation, differences in accounting and the lesser degree of accurate public information available.

Past performance is not indicative of future results. Investing in securities involves a risk of loss that you, as a client, should be prepared to bear.

Item 9: Disciplinary Information

A. Criminal or Civil Actions

There are no criminal or civil actions to report.

B. Administrative Proceedings

There are no administrative proceedings to report.

C. Self-regulatory Organization (SRO) Proceedings

There are no self-regulatory organization proceedings to report.

Item 10: Other Financial Industry Activities and Affiliations

A. Registration as a Broker/Dealer or Broker/Dealer Representative

Neither TF nor its representatives are registered as, or have pending applications to become, a broker/dealer or a representative of a broker/dealer.

B. Registration as a Futures Commission Merchant, Commodity Pool Operator, or a Commodity Trading Advisor

Neither TF nor its representatives are registered as or have pending applications to become either a Futures Commission Merchant, Commodity Pool Operator, or Commodity Trading Advisor or an associated person of the foregoing entities.

C. Registration Relationships Material to this Advisory Business and Possible Conflicts of Interests

TF has a material business relationship with Turnstone Private Trust ("TPT"), a Trust Representative Office of National Advisors Trust Company ("NATC"), an independent, federally chartered savings bank that provides trust and custodial services. The trust company services are separate and apart from investment advisory services offered by TF; these offerings entail a separate fee apart from the investment advisory fee, the total of which does not exceed the published fee schedule except as noted in Item #5. NATC is owned by a diversified group of independent registered investment advisers. At present, TF has a less than one percent ownership position in NATC. As a shareholder, TF would profit from any distributions made by NATC.

TF always acts in the best interest of the client and clients are in no way required to utilize the services of any representative of TF in connection with such individual's activities outside of TF.

D. Selection of Other Advisers or Managers and How This Adviser is Compensated for Those Selections

TF has discretion to choose third-party investment advisers to manage all or a portion of the clients' assets. TF will be compensated by deducting the advisory fee from the client's account and paying a portion of that fee to the third party manager that was selected. This relationship will be memorialized in each contract between TF and each third-party advisor. The fees shared will not exceed any limit imposed by any regulatory agency. This

creates a conflict of interest in that TF has an incentive to direct clients to the third-party investment advisers that provide TF with a larger fee split. TF will always act in the best interests of the client, including when determining which third-party investment adviser to recommend to clients. TF will ensure that all recommended advisers are licensed or notice filed in the states in which TF is recommending them to clients.

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

A. Code of Ethics

TF has a written Code of Ethics that covers the following areas: Prohibited Purchases and Sales, Insider Trading, Personal Securities Transactions, Exempted Transactions, Prohibited Activities, Conflicts of Interest, Gifts and Entertainment, Confidentiality, Service on a Board of Directors, Compliance Procedures, Compliance with Laws and Regulations, Procedures and Reporting, Certification of Compliance, Reporting Violations, Compliance Officer Duties, Training and Education, Recordkeeping, Annual Review, and Sanctions. TF's Code of Ethics is available free upon request to any client or prospective client.

B. Recommendations Involving Material Financial Interests

TF does not recommend that clients buy or sell any security in which a related person to TF or TF has a material financial interest.

C. Investing Personal Money in the Same Securities as Clients

From time to time, representatives of TF may buy or sell securities for themselves that they also recommend to clients. This may provide an opportunity for representatives of TF to buy or sell the same securities before or after recommending the same securities to clients resulting in representatives profiting off the recommendations they provide to clients. Such transactions may create a conflict of interest. TF will always document any transactions that could be construed as conflicts of interest and will never engage in trading that operates to the client's disadvantage when similar securities are being bought or sold.

D. Trading Securities At/Around the Same Time as Clients' Securities

From time to time, representatives of TF may buy or sell securities for themselves at or around the same time as clients. This may provide an opportunity for representatives of TF to buy or sell securities before or after recommending securities to clients resulting in representatives profiting off the recommendations they provide to clients. Such

transactions may create a conflict of interest; however, TF will never engage in trading that operates to the client's disadvantage when similar securities are being bought or sold.

Item 12: Brokerage Practices

A. Factors Used to Select Custodians and/or Broker/Dealers

Custodians/broker-dealers will be recommended based on TF's duty to seek "best execution," which is the obligation to seek execution of securities transactions for a client on the most favorable terms for the client under the circumstances. Clients will not necessarily pay the lowest commission or commission equivalent, and TF may also consider the market expertise and research access provided by the broker-dealer/custodian, including but not limited to access to written research, oral communication with analysts, admittance to research conferences and other resources provided by the brokers that may aid in TF's research efforts. TF will never charge a premium or commission on transactions, beyond the actual cost imposed by the broker-dealer/custodian.

TF currently requires clients to use NATC and Reliance Trust Company. NATC is owned by a diversified group of independent registered investment advisers. At present, TF has a less than one percent ownership position in NATC. As a shareholder, TF would profit from any distributions made by NATC.

1. Research and Other Soft-Dollar Benefits

While TF has no formal soft dollars program in which soft dollars are used to pay for third party services, TF may receive research, products, or other services from custodians and broker-dealers in connection with client securities transactions ("soft dollar benefits"). There can be no assurance that any particular client will benefit from soft dollar research, whether or not the client's transactions paid for it, and TF does not seek to allocate benefits to client accounts proportionate to any soft dollar credits generated by the accounts. TF benefits by not having to produce or pay for the research, products or services, and TF will have an incentive to recommend a broker-dealer based on receiving research or services. Clients should be aware that TF's acceptance of soft dollar benefits may result in higher commissions charged to the client.

2. Brokerage for Client Referrals

TF receives no referrals from a broker-dealer or third party in exchange for using that broker-dealer or third party.

3. Clients Directing Which Broker/Dealer/Custodian to Use

TF will require clients to use a specific broker-dealer to execute transactions.

B. Aggregating (Block) Trading for Multiple Client Accounts

TF does not trade client securities, and the subadvisers may or may not aggregate or bunch the securities to be purchased or sold for multiple clients, depending on their own ADV. If they do not, this may result in less favorable prices, particularly for illiquid securities or during volatile market conditions.

Item 13: Reviews of Accounts

A. Frequency and Nature of Periodic Reviews and Who Makes Those Reviews

All client portfolio management accounts are reviewed at least annually with regard to clients' respective investment policies and risk tolerance levels.

B. Factors That Will Trigger a Non-Periodic Review of Client Accounts

Reviews may be triggered by material market, economic or political events, or by changes in client's financial situations (such as retirement, termination of employment, physical move, or inheritance).

C. Content and Frequency of Regular Reports Provided to Clients

Each portfolio management client will receive at least quarterly a written report that details the client's account including assets held and asset value, which report will come from the custodian.

Item 14: Client Referrals and Other Compensation

A. Economic Benefits Provided by Third Parties for Advice Rendered to Clients (Includes Sales Awards or Other Prizes)

TF does not receive any economic benefit, directly or indirectly from any third party for advice rendered to TF's clients.

B. Compensation to Non – Advisory Personnel for Client Referrals

TF does not directly or indirectly compensate any person who is not advisory personnel for client referrals.

Item 15: Custody

TF, with client written authority, has only limited custody of client's assets through direct fee deduction of TF's fees. Clients will receive all account statements and billing invoices that are required in each jurisdiction, and they should carefully review those statements for accuracy.

Custody is also disclosed in Form ADV because TF has authority to transfer money from client account(s), which constitutes a standing letter of authorization (SLOA). Accordingly, TF will follow the safeguards specified by the SEC rather than undergo an annual audit.

Item 16: Investment Discretion

TF only has discretion to choose third party investment advisers. The third party adviser chosen, will have investment discretion over client accounts.

Item 17: Voting Client Securities (Proxy Voting)

TF does not vote proxies for clients. Proxies for managed accounts will be handled by the third party money manager or subadviser as outlined in the agreement between the third party money manager and TF.

Proxies for account monitoring services will be handled by the client. Clients will receive proxies directly from the issuer of the security or the custodian. Clients should direct all proxy questions to the issuer of the security.

Item 18: Financial Information

A. Balance Sheet

TF neither requires nor solicits 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.

B. Financial Conditions Reasonably Likely to Impair Ability to Meet Contractual Commitments to Clients

Neither TF nor its management has any financial condition that is likely to reasonably impair TF's ability to meet contractual commitments to clients.

C. Bankruptcy Petitions in Previous Ten Years

TF has not been the subject of a bankruptcy petition in the last ten years.