



PALM SPRINGS ADVISORY LLC

INVEST IN INNOVATION & GROWTH

Item 1 – Cover Page

Palm Springs Advisory, LLC Firm Brochure – Form ADV Part 2A

This brochure provides information about the qualifications and business practices of Palm Springs Advisory. If you have any questions about the contents of this brochure, please contact us at

contact@palmspringsadvisory.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. Registration does not imply a certain level of skill or training. Additional information about Palm Springs Advisory also is available on the SEC's website at www.adviserinfo.sec.gov. Palm Springs Advisory LLC's CRD number is: 289398.

March 7, 2024

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Item 2 – Material Changes

This Brochure contains updated information about Palm Spring's business since the last annual updating amendment. This section of the Brochure will address only those "material changes" that have been incorporated since the last delivery of this document on the SEC's public disclosure website (IAPD).

- The Firm has changed office locations, and the new address has been updated.

Palm Springs will further provide you with a new Brochure as necessary based on changes or new information, at any time, without charge. Currently, Palm Spring's Brochure may be requested by contacting Mr. Lei Zhang, Chief Compliance Officer at contact@palmspringsadvisory.com. Additional information about Palm Spring is also available via the SEC's web site www.adviserinfo.sec.gov. The searchable IARD/CRD number for Palm Spring is 289398. The SEC's web site also provides information about any persons affiliated with Palm Springs who are registered, or are required to be registered, as investment adviser representatives of Palm Spring.

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Item 4 - Advisory Business

a) Description of the Advisory Firm

Palm Springs Advisory LLC (hereinafter “Palm Springs Advisory” or “PSA”) was founded as a Delaware Limited Liability Company in 2017 and 100% employee owned. Palm Springs Advisory devotes its resources primarily to the service of high-net worth individuals, qualified clients, and non-U.S. resident clients. Palm Springs Advisory provides fixed and tailored strategies for a variety of client accounts. Palm Springs Advisory primarily focuses on getting rid of the technology revolution to searching investment opportunities that could benefit clients in the long term.

b) Services Provided

Palm Springs Advisory offers two types of portfolio management services and will request discretionary authority from clients to select securities and execute transactions without permission from the client prior to each transaction. Palm Springs Advisory evaluates (either through face-to-face interview or internet questionnaire filling) current investments of each client with respect to their risk tolerance levels and time horizon. According to client’s preference and risk tolerance, one of the following investment service policy statements is provided. Clients choose the type of services and proportion of their investment toward different investment services.

According to the client’s individual goals, objectives, time horizon, and risk tolerance, Palm Springs Advisory offers one of the following portfolio management services:

1. **Technology Growth Portfolio Management Services:** Palm Springs Advisory offers the same suite of services to all of its clients, who choose this type of service. Investment will be more focused on large capitalization technology firms.
2. **Lifecycle Portfolio Management Services:** Palm Springs Advisory offers the same suite of services to all of its clients who choose this type of service. Investments will be more focused on those companies that meet the needs of everybody’s whole lifecycle.
3. **Family Office Services:** Palm Springs Advisory provide all consultancy and investment services to high-net-worth families. Services include, but are not limited to, taxation consultant, risk management, registry services etc.

Portfolio management services include, but are not limited to, the following:

- | | |
|---------------------------------|--------------------------------|
| • Investment strategy formation | • Personal investment policy |
| • Asset allocation | • Asset selection |
| • Risk tolerance. | • Regular portfolio monitoring |

All the portfolio management services above are recommended for an investment period of at least three (3) years, however, 5-10 years is preferable. PSA primarily recommends equities to a majority of its clients, and when applicable, can use other security instruments to help diversify a portfolio. Clients must set up an account with Interactive Brokers LLC and provide written contractual authority to Palm Springs Advisory to trade on behalf of clients. Palm Springs Advisory doesn't receive any commissions or any remuneration for clients who open and maintain an account with Interactive Brokers. Clients may instruct Palm Springs Advisory to close their position and withdraw from account by given a written notice at least 30 days before withdrawal. Palm Springs Advisory may close the required position at any time during the 30-day period based upon its understanding to the market.

Palm Springs Advisory seeks to provide investment decisions that are made in accordance with the fiduciary duties owed to its client's and without consideration of Palm Springs Advisory's economic, investment, or other financial interests. To meet its fiduciary obligations, Palm Springs Advisory attempt to avoid, among other things, investment or trading practices that systematically advantage or disadvantage certain client portfolios, and accordingly, Palm Springs Advisory' policy is to seek fair and equitable allocation of investment opportunities/transactions among its clients to avoid favoring one client over another over time. It is Palm Springs Advisory' policy to allocate investment opportunities and transactions it identifies as being appropriate and prudent, fairly among its clients on a fair and equitable basis.

(c) 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. Palm Springs Advisory does not participate in any wrap fee programs.

(d) Other Business Activities

Palm Spring Advisory does offer fixed and variable annuity financial products primarily to non-resident and non-citizens of the United States of America. The Firm's standard investment management contract generally permits either party to terminate immediately upon written notice to the other party. The management fee will be pro-rated to the date of termination, for the quarter in which the cancellation notice was given and the unearned fee refunded to the Client's account, or any earned fee will be billed to the Client. Upon termination, a Client is responsible for monitoring the securities in his or her account, and we will have no further obligation to act or advise with respect to those assets. In the event of Client's death or disability, Palm Springs will continue management of the account until we are notified of Client's death or disability and given alternative instructions by an authorized party.

In summary, Palm Springs provides the following advisory services:

- Discretionary Investment Management, except as otherwise set forth in any applicable Client Agreement. Our clients authorize Palm Springs to investigate, purchase, and sell on behalf of Client, various securities and investments. The Company is authorized to execute purchases and sales of securities on Client's behalf without consulting Client regarding each sale or purchase. Client may,

however, terminate the discretionary authority of Palm Springs immediately upon written notice.

- The Company possesses the ability to work with a client on establishing an Investment Policy Statement. In this scenario, Palm Springs, in connection with the Client, may develop a statement that summarizes the Client's investment goals and objectives along with the broad strategy[ies] to be employed to meet the objectives.

When the Company serves as investment adviser, it enters into a written investment management agreement with each of its advisory Clients. Investment management agreements include provisions related to each Client's management fees, investment strategy, investment guidelines, termination rights, proxy voting and sub- adviser, if applicable. Upon termination, Clients are billed only for the pro-rata portion of the management period. Clients do not pay a termination fee.

(e) Clients Assets Under Management

As of December 31, 2023, TCWM has \$ 1,659, 074 assets under management on a discretionary basis and \$ 0.00 on a non-discretionary basis.

Item 5 - Fees and Compensation

According to the different services that client chooses, Palm Springs Advisory implements different types of fee schedules respectively. These fees are generally negotiable, and the final fee schedule is attached to the Investment Advisory Contract. This service may be canceled immediately upon written notice. Clients must pay the prorate performance-based fees for the billing period in which they terminate the Investment Advisory Contract up to and including the day of termination Palm Springs Advisory LLC - Firm Brochure - Form ADV Part 2 A

- Technology Growth Portfolio Management Fees

For non-US resident clients, Palm Springs Advisory applies 1% of the management fee based on AUM and a 10% performance-based fee. For U.S. residents, high-net-worth individuals, and qualified clients, Palm Springs Advisory applies a 2% of the management fee based on AUM for U.S. residents, high-net-worth individuals, and qualified clients. For a detailed explanation of the method for calculating fees, please find sections 2 (d) and 2 (e).

- Lifecycle Portfolio Management Performance-Based Fees

For non-US resident clients, Palm Springs Advisory applies 1% of the management fee based on AUM and 10% of performance-based fee. For U.S residents high-net-worth individuals, and qualified clients, Palm Springs Advisory applies a 2% of the management fee based on AUM for U.S. residents, high-net-worth individuals, and qualified clients. For a detailed explanation of the method for calculating fees, please find sections 2 (d) and 2 (e).

- Family Office Services

Family office services are highly variable based upon the client's needs, so the charges of each service are different. Palm Springs Advisory will provide the client with a full detailed quotation before engagement.

- Management Fee Explanation

The management fee occurs at a flat rate of 1% or 2% annually based on the client's assets under management and the client's resident country. The management fee is applied monthly and deducted from client's account at the beginning of the following month where investment services are provided. The calculation of monthly fees will be calculated using daily average monthly assets under management. For detailed calculation process, client can log onto client portal and check the advisory Fee Invoice under other reports section.

- Performance – Based Fee Explanation

A fixed percentage (either 10% or none, based on the client's country of residence) is applied to the mark- to- market P&L (positive or negative) at the end of each period. If at the end of the billing period the accumulated fee calculation is negative, no fee will be charged. The Performance fee is charged on a calendar quarterly basis. Fees will be posted to the client's account ten (10) days after the close of the quarter. Palm Springs Advisory will apply a "High Water Mark" to the billing period to offset losses. PSA has a four (4) quarter look back.

The "High Water Mark" keeps track of cumulative losses per billing cycle within the specified look- back period. A loss in any period will be added to the look-back period's cumulative losses. A gain in any period will decrease the cumulative loss recorded to date. PSA will not charge a profit-based fee as long as a cumulative loss exists. If a client makes withdrawals or deposits during a billing period, PSA will prorate the loss for that period.

- 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 Palm Springs Advisory.

- Other fees

There are some other fees will generate during the time Palm Springs Advisory trading for clients. Please be advised that those fees are not charged by Palm Springs Advisory, and fees will be deducted automatically from each individual client account when processing the trading.

- Prepayment of Fees

Palm Springs Advisory collects its investment management fees in arrears. It does not collect fees in advance.

- Outside Compensation for the Sale of Securities to Clients

Palm Spring Advisory receives compensation for variable and fixed annuity products along with preparation of investment research reports analyzing United States of America companies.

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

Palm Springs Advisory manages accounts that are billed on performance-based fees (a share of capital gains or capital appreciation client assets) and does manage accounts that are not performance-based fees. Managing both kinds of accounts at the same time presents a conflict of interest because Palm Springs Advisory and/or its supervised persons have an incentive to favor accounts for which Palm Springs Advisory receives a performance-based fee. Palm Springs Advisory addresses the conflicts by ensuring that clients are not systematically advantaged, are treated fairly and equally, or disadvantaged due to the presence or absence of performance-based fees. Palm Springs Advisory seeks best execution and upholds its fiduciary duty for all clients. Clients paying a performance-based fee should be aware that investment advisers have an incentive to invest in riskier investments when paid a performance-based fee due to the higher risk/higher reward attributes.

Item 7 - Types of Clients

Palm Springs Advisory generally provides advisory services to the following types of clients:

- a. High net worth clients: Clients with at least \$1,100,000 under management with the adviser or more than \$2,200,000 of net worth
- b. Qualified Purchasers: Clients who are “qualified purchasers” under section 2(a) (51) (A) of the Investment Company Act; and,
- c. Clients that are not U.S. Residents.
- d. The minimum account balance for all types of clients is \$100,000.

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

Methods of Analysis and Investment Strategies

Methods of Analysis

Market Risk Analysis: Palm Springs Advisory has subscribed to investment reports from several reputable banks, investment banks and financial institutions. Every quarter, Palm Springs Advisory reviews these reports to help assist and evaluate market risks on a scale of 1-

By averaging the scores from different institutions, Palm Springs Advisory shall implement the score on the list below to determine the portion of cash and stocks.

Score	Opinion	Stock Position	Cash Position	Hedging Position
1	Bull	90.0%	10.0%	0
2	Bull	80.0%	20.0%	0
3	Bull	70.0%	30.0%	0
4	Bull	60.0%	40.0%	0
5	Neutral	50.0%	50.0%	0
6	Neutral	40.0%	60.0%	5%
7	Neutral	30.0%	70.0%	5%
8	Bear	20.0%	80.0%	10%
9	Bear	10.0%	90.0%	20%
10	Bear	0.0%	100.0%	30%

Fundamental Analysis: Palm Springs Advisory uses fundamental analysis to analyze each individual stock. Fundamental analysis involves the analysis of financial statements, the general financial health of companies, and/or the analysis of management or competitive advantages.

Investment Strategies

Different investment services that Palm Springs Advisory provides have different Investment Strategies. Investing in securities involves a risk of loss that you, as a client, should be prepared to bear.

- Technology Growth Portfolio Management Services

This strategy mainly focused on companies that have disruptive new technology(s) in their respective industry. PSA believes, These issuers have established a wide moat (strong competitive advantage and difficultly for competitors to enter their markets) , and could maintain a long-term growth and give investors, in the opinion of PSA, potential for higher returns. Pooling (defined herein as the grouping together of resources to help maximize potential returns or to help minimize risk) will based on several quantitative measures, Sales analysis over quarter over quarter, Performance analysis on quarter over quarter, Gross Margins, Price to Earnings Growth ratio (“PEG”), etc., also will depend on information we observe from industry contacts. After PSA’s pooling process has been completed, we weight the positions based upon several different quantitative matrix. Clients who choose this investment program must select a dividend reinvestment plan (“DRIP”) to achieve the benefits of reinvestment. A 20% stop-loss order will be submitted to help control unmitigated issuer risk and overall portfolio risk. Options may be used in some situations, in the opinion of PSA, to hedge potential risks of particular security. This strategy will generally invest in equities, bonds, ETFs and other investment vehicles.

- Lifecycle Portfolio Management Services

This strategy involves three (3) different investment ideas: core, auxiliary, speculative, and cash. The core position is defined as companies with more than ten (10) years of history, high market capital, an industry that is not easily replaceable, a high and constant dividend yield for at least two (2) economic cycles. There are approximately ten (10) companies in the core positions, and each company weighing is, at the time of investment, approximately a five percent (5%) portfolio position. Auxiliary position is

defined mostly the same as core position but could exhibit weaker financial criteria or outlook. There are approximately ten (10) companies in auxiliary positions and each company weighting, at the time of investment, is approximately a two percent (2%) portfolio position. Speculative positions are defined as those companies having disruptive innovations to their industry and with, in the opinion of PSA, high potential to grow very quickly. Clients who choose this investment program must select a dividend reinvestment plan ("DRIP") to achieve the benefits of reinvestment. A 20% stop-loss order will be submitted to help control unmitigated issuer risk and overall portfolio risk.

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

Palm Springs Advisory can rebalance the position quarterly for core and auxiliary positions, and monthly for speculative positions. A 20% stop-loss order will be submitted to help control unmitigated issuer risk and overall portfolio risk. Options may be used in some situations to hedge potential risk of particular security.

Material Risks Involved

Methods of Analysis

Palm Springs Advisory use material from different reputable banks and investment institutions to help evaluate future market risk. After reviewing the materials, Palm Springs Advisory subjectively score the report based on whether the opinion of the report is bullish, bearish or neutral. Material provided from different institution may involve risks that their opinions and analysis are incorrect. Also, Palm Springs Advisory is not responsible for any errors scoring the report and their opinions during the evaluation process. PSA strives to ensure a reasonable and careful review process.

Fundamental analysis concentrates on factors that determine a company's value and expected future earnings. This strategy would normally encourage equity purchases in stocks that are undervalued or priced below their perceived value. The risk assumed is that the market will fail to reach expectations of perceived value.

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, currency exchange rate risk, interest rate risk, economic risk, market risk, and political/regulatory risk.

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

Risks of Specific Securities

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.

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): A ETF is a continuously offered open-end mutual fund that trade 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.

Real estate funds (including REITs) face several kinds of risk that are inherent in the real estate sector, which historically has experienced significant fluctuations and cycles in performance. Revenues and cash flows may be adversely affected by: changes in local real estate market conditions due to changes in national or local economic conditions or changes in local property market characteristics; competition from other properties offering the same or similar services; changes in interest rates and in the state of the debt and equity credit markets; the ongoing need for capital improvements; changes in real estate tax rates and other operating expenses; adverse changes in governmental rules and fiscal policies; adverse changes in zoning laws; the impact of present or future environmental legislation and compliance with environmental laws.

Options are contracts to purchase a security at a given price, risking that an option may expire out of the money resulting in minimal or no value. An uncovered option is a type of options contract that is not backed by an offsetting position that would help mitigate risk. The risk for a “naked” or uncovered put is not unlimited, whereas the potential loss for an uncovered call option is limitless. Spread option positions entail buying and selling multiple options on the same underlying security, but with different strike prices or expiration dates, which helps limit the risk of other option trading strategies. Option transactions also involve risks including but not limited to economic risk, market risk, sector risk, idiosyncratic risk, political/regulatory risk, inflation (purchasing power) risk and interest rate risk. 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 Palm Springs Advisory nor its representatives are registered as, or have pending applications to become, a broker/dealer or representative of a broker/dealer.

(b) Registration as a Futures Commission Merchant, Commodity Pool Operator, or a Commodity Trading Advisor

Neither Palm Springs Advisory 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

All advisory personnel investments are relatively small, and investment targets are usually larger capitalized issuers with sufficient liquidity. PSA believes their advisory personnel investment will not materially influence the price of the investment target.

Palm Springs Advisory always acts in the best interest of the client. PSA believes all disclosed potential material conflicts of interest regarding the investment adviser, its representatives, or any employees do not impair the rendering of unbiased and objective advice.

(d) Selection of Other Advisers or Managers and How This Adviser is Compensated for Those Selections

Palm Springs Advisory does not utilize nor select third-party investment advisers. All assets are managed by Palm Springs Advisory.

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

Code of Ethics

Palm Springs Advisory 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. Palm Springs Advisory clients may include senior executives at publicly traded companies, and Palm Springs Advisory could inadvertently become exposed to material non-public information. This may affect Palm Springs Advisory from acting upon the purchasing or selling of securities. Palm Springs Advisory' Code of Ethics is available free upon request to any client or prospective client.

Recommendations Involving Material Financial Interests

Palm Springs Advisory and its associated persons may have material financial interests in issuers of securities that Palm Springs Advisory may recommend for purchase or sale by clients.

This presents a conflict of interest in that Palm Springs Advisory, or its related persons may receive more compensation from investment in a security in which Palm Springs Advisory or a related person has a material financial interest than from other investments. Client approval will be sought for client investment in such recommendations and, if granted, such approval will be binding. Palm Springs Advisory always acts in the best interest of the client consistent with its fiduciary duties and clients are not required invest in such investments if they do not wish to do so.

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

From time to time, representatives of Palm Springs Advisory may buy or sell securities for themselves at or around the same time as clients. This may provide an opportunity for representatives of Palm Springs Advisory to buy or sell securities before or after recommending securities to clients resulting in representatives profiting from the recommendations they provide to clients. Such transactions may create a conflict of interest; however, Palm Springs Advisory will never engage in trading that operates to the client's disadvantage if representatives of Palm Springs Advisory buy or sell securities at or around the same time as clients. PSA 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.

Item 12 - Brokerage Practices

a) Factors Used to Select Custodians and/or Broker/Dealers

Custodians/broker dealers will be recommended based on Palm Springs Advisory'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 Palm Springs Advisory can 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 Palm Springs Advisory' research efforts. Palm Springs Advisory will never charge any additional fees beyond the actual cost imposed by the broker dealer/custodian.

Palm Springs Advisory recommends Interactive Brokers LLC.

b) Research and Other Soft - Dollar Benefits

While Palm Springs Advisory has no formal soft dollar program in which soft dollars are used to pay for qualified third-party services eligible under Section 28(e) of the Securities Act of 1934, as amended, Palm Springs Advisory may receive research, products, or other services from custodians and broker dealers in connection with client securities transactions ("soft dollar benefits"). Palm Springs Advisory may enter into soft-dollar arrangements consistent with (and not outside of) the safe harbor contained in Section 28(e) of the Securities Exchange Act of 1934, as amended. 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 Palm Springs Advisory does not seek to allocate benefits to client accounts proportionate to any soft dollar credits generated by the accounts. Palm Springs Advisory benefits by not having to produce or pay for the research, products or services, and Palm Springs Advisory will have an incentive to recommend a broker-dealer based on receiving research or services. Clients should be aware that Palm Springs Advisory's acceptance of soft dollar benefits may result in higher commissions charged to the client.

c) Brokerage for Client Referrals

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

d) Clients Directing Which Broker/Dealer/Custodian to Use

Palm Springs Advisory does not permit clients to direct it to execute transactions through a specified broker dealer.

e) Aggregating (Block) Trading for Multiple Client Accounts

Palm Springs Advisory does not involve itself in aggregating (block) trading for multiple client accounts. All trading will be executed individually in each client's account and client's executions can be higher or lower than other PSA advisory clients.

Item 13 - Review of Accounts

a) Frequency and Nature of Periodic Reviews and Who Makes those Reviews.

PSA client accounts are reviewed on an ongoing basis at least monthly by our Investment Strategy Team. This review includes, but is not limited, to a 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 markets, 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 client of Palm Springs Advisory services is provided on an ongoing basis. Clients will receive a monthly report detailing the client's account, including assets held, asset value, and calculation of fees.

Electronic real-time reports are always reachable at the website of the custodian.

Item 14 - Client Referrals and Other Compensation

Compensation to Non-Advisory Personnel for Client Referrals

Palm Springs Advisory has entered into a contractual arrangement with Van Teck who is permitted to solicit clients for Palm Springs Advisory. Palm Springs Advisory compensates Van Teck a monthly fee for each client account opened by Van Teck.

Item 15 - Custody

When advisory fees are deducted directly from client accounts at client's custodian, Palm Springs Advisory will be deemed to have limited custody of client's assets. Because client fees will be withdrawn directly from client accounts, Palm Springs Advisory will:

- a) Possess written authorization from the client to deduct advisory fees from an account held by a qualified custodian.
- b) Send the qualified custodian written notice of the amount of the fee to be deducted from the client's account and verify that the qualified custodian sends invoices to the client.
- c) Send the client a written invoice itemizing the fee upon or prior to fee deduction, including the formula used to calculate the fee, the time period covered by the fee and the amount of assets under management on which the fee was based.

Clients will receive all account statements and billing invoices that are required in each jurisdiction, and they should carefully review those statements for accuracy. Clients are urged to compare the account statements they received from custodian with those they received from Palm Springs Advisory.

Item 16 - Investment Discretion

Palm Springs Advisory provides discretionary portfolio management services to clients. The Investment Advisory Contract established with each client sets forth the discretionary authority for trading. Palm Springs Advisory generally manages the client's account and makes investment decisions without consultation with the client as to when the securities are to be bought or sold for the account, the total amount of the securities to be bought/sold, what securities to buy or sell, or the price per share. Clients with discretionary accounts will execute a limited power of attorney to evidence discretionary authority. Palm Springs Advisory will also have discretionary authority to determine the broker dealer to be used for the purchase or sale of securities for a client's account.

Item 17 - Voting Client Securities

Palm Springs Advisory does not vote proxies for clients, and clients will have to exercise their right to vote.

Item 18 - Financial Information

- a) Balance Sheet

Palm Springs Advisory neither requires nor solicits prepayment of more than \$500 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 Palm Springs Advisory nor its management has any financial condition that is likely to reasonably impair Palm Springs Advisory' ability to meet contractual commitments to clients.

c) Bankruptcy Petition in Previous Ten Years

Palm Springs Advisory has not been the subject of a bankruptcy petition in the last ten years.