

THOMAS ROAD CAPITAL, LLC

FORM ADV PART 2A

BROCHURE

Item 1 – Cover Page

978 Worcester Street
Wellesley, Massachusetts 02482
(646) 483-7217

This brochure (“Brochure”) provides information about the qualifications and business practices of Thomas Road Capital, LLC. If you have any questions regarding the contents of this brochure, please do not hesitate to contact our Chief Compliance Officer, Michael J. Shuckerow, by telephone at (646) 483-7217 or by email at mikeshuckerow@gmail.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.

Thomas Road Capital, LLC is a registered investment advisor. Registration with the United States Securities and Exchange Commission or any state securities authority does not imply a certain level of skill or training. Additional information about Thomas Road Capital, LLC is available on the SEC’s website at www.adviserinfo.sec.gov.

April 15, 2019

Item 2 – Material Changes

Form ADV Part 2 requires registered investment advisors to amend their brochure when information becomes materially inaccurate. If there are any material changes to an advisor's disclosure brochure, the advisor is required to notify you and provide you with a description of the material changes.

As Thomas Road Capital, LLC is a newly-registered investment advisor, this is its initial Brochure and therefore, there are no material changes to disclose.

Item 3 - Table of Contents

Item 1 – Cover Page.....	1
Item 2 – Material Changes.....	2
Item 3 - Table of Contents	3
Item 4 - Advisory Business.....	5
A. Description of the Advisory Firm.....	5
B. Types of Advisory Services.....	5
C. Client-Tailored Advisory Services	7
D. Assets Under Management	7
Item 5 - Fees and Compensation.....	7
A. Fees for Advisory Services	7
B. Payment of Fees.....	8
C. Clients Responsible for Fees Charged by Financial Institutions and External Money Managers ...	9
D. Prepayment of Fees.....	9
E. Outside Compensation for the Sale of Securities or Other Investment Products to Clients	10
Item 6 - Performance-Based Fees and Side-by-Side Management.....	10
Item 7 - Types of Clients	10
Item 8 - Methods of Analysis, Investment Strategies, and Risk of Loss	10
A. Methods of Analysis and Risk of Loss	10
B. Material Risks	11
Item 9 – Disciplinary Information	17
Item 10 – Other Financial Industry Activities and Affiliations	17
Item 11 – Code of Ethics, Participation or Interest in Client Transactions.....	17
A. Description of Code of Ethics.....	17
Item 12 – Brokerage Practices	18
A. Factors Used to Select Custodians and/or Broker-Dealers	18
B. Trade Aggregation	21
Item 13 – Review of Accounts.....	22
A. Frequency and Nature of Periodic Reviews and Who Makes Those Reviews	22
B. Other Reviews.....	22
C. Content and Frequency of Regular Reports Provided to Clients	22
Item 14 – Client Referrals and Other Compensation	23
A. Economic Benefits Provided by Third Parties for Advice Rendered to Clients	23

B. Compensation to non-Supervised Persons for Client Referrals	23
Item 15 – Custody	23
Item 16 – Investment Discretion	23
Item 17 – Voting Client Securities	24
Item 18 – Financial Information	24
A. Balance Sheet	24
B. Financial Conditions Reasonably Likely to Impair Ability to Meet Contractual Commitments to Clients	24
C. Bankruptcy Petitions in Previous Years	24

Item 4 - Advisory Business

A. Description of the Advisory Firm

Thomas Road Capital, LLC (“TRC” or the “Firm”) is a limited liability company organized in Delaware. TRC is an investment advisory firm registered with the United States Securities and Exchange Commission (“SEC”). TRC is wholly owned by Thomas Road Capital Holdings, LLC. The sole owner of Thomas Road Capital Holdings, LLC as of February 1, 2019 is Michael J. Shuckerow.

All statements in this brochure, including those made in the present tense, describe the prospective business of TRC.

B. Types of Advisory Services

TRC provides holistic and personalized financial planning and discretionary and non-discretionary investment advisory services to individuals, including high net worth individuals, and entities, including, but not limited to, family offices, trusts, estates, private foundations, charities, small businesses, and pension and retirement/profit-sharing plans.

Financial Planning and Consulting Services

TRC may provide a variety of comprehensive financial planning and consulting services to clients. Such engagements may be part of the investment advisory engagement or pursuant to a separate engagement. Generally, such financial planning services will involve preparing a financial plan or rendering a financial consultation based on the client’s financial goals and objectives. This planning or consulting may encompass one or more areas of need, including, but not limited to cash flow analysis, investment planning, retirement planning, estate planning, personal savings, educational savings, and other areas of a client’s financial situation.

A financial plan developed for or financial consultation rendered to the client will typically include general recommendations for a course of activity or specific actions to be taken by the client. For example, recommendations may be made that the client start or revise their investment programs, commence or alter retirement savings, establish education savings and/or charitable giving programs. TRC may recommend the services of itself and/or other professionals to implement its recommendations. Clients are advised that a conflict of interest exists if TRC recommends its own services, as such a recommendation may increase the advisory fees paid to TRC. The client is under no obligation to act upon any of the recommendations made by TRC under a financial planning or consulting engagement to engage the services of any such recommended professional, including TRC itself.

Investment Management Services

TRC seeks to tailor its investment management services to meet the needs of its individual clients and seeks to ensure, on a continuous basis, that client portfolios are managed in a manner consistent with those needs and objectives. TRC consults with clients on an initial and ongoing basis to assess their specific risk tolerance, time horizon, liquidity constraints and other related factors relevant to the management of their

portfolios. Clients are advised to promptly notify TRC if there are changes in their financial situation or if they wish to place any limitations on the management of their portfolios. Clients may impose reasonable restrictions or mandates on the management of their accounts if TRC determines, in its sole discretion, the conditions would not materially impact the performance of a management strategy or prove overly burdensome to TRC's management efforts.

In designing and implementing customized models and portfolio strategies, TRC can manage, on a discretionary or non-discretionary basis, a broad range of investment strategies and vehicles. TRC primarily allocates client assets among various individual debt and equity securities, mutual funds, exchange-traded funds ("ETFs"), closed-end funds ("CEFs"), structured products, options, and alternative investments in accordance with clients' stated investment objectives, risk profile and financial condition.

TRC may recommend to clients that all or a portion of their investment portfolio be managed on a discretionary basis by one or more unaffiliated or affiliated money managers or investment platforms ("External Managers"). The client may be required to enter into a separate agreement with the External Manager(s), which will set forth the terms and conditions of the client's engagement of the External Manager, or will receive a Statement of Investment Selection in a single contract relationship. In addition to this Brochure, clients may also receive the written disclosure documents of the respective External Managers engaged to manage their assets. TRC generally renders services to the client relative to the discretionary selection of External Managers. TRC also assists in establishing the client's investment objectives for the assets managed by External Managers, monitors and reviews the account performance and defines any restrictions on the account. The investment management fees charged by the designated External Managers, together with the fees charged by the corresponding designated broker-dealer/custodian of the client's assets, may be exclusive of, and in addition to, advisory fees charged by TRC. TRC evaluates a variety of information about External Managers, which may include the External Managers' public disclosure documents, materials supplied by the External Managers themselves and other third-party analyses it believes are reputable. To the extent possible, TRC seeks to assess the External Managers' investment strategies, past performance and risk results in relation to its clients' individual portfolio allocations and risk exposure. TRC may also take into consideration each External Manager's management style, returns, reputation, financial strength, reporting, pricing and research capabilities, among other factors.

TRC may also recommend that clients invest in unaffiliated or affiliated private investment vehicles whose interests are not publicly offered under the Securities Act of 1933 ("Private Funds"). Such Private Funds may be structured as fund of funds or as access vehicles to underlying funds or portfolios managed by third-party investment advisors. TRC will, from time to time and as appropriate, solicit clients to invest in such vehicles, and TRC will decide which clients to approach for some or all of these investments, in its own discretion. All relevant information pertaining to Private Fund recommendations, including the compensation received by TRC (if any) or a TRC affiliate or related person (as applicable) and by the third-party manager resulting from a client's investment in a Private Fund, other fees and expenses paid by the respective Private Fund, withdrawal rights, minimum investments, qualification requirements, suitability, risk factors and potential conflicts of interest is set forth in the respective Private Fund's disclosure documents, governing documents and other offering materials pertaining to such interest (the "Offering Materials"). Each investor is required to receive, review and execute (as applicable) the Offering Materials prior to being accepted as an investor in any such Private Fund.

ERISA Services

TRC can provide non-discretionary, fiduciary and non-fiduciary advisory services to the sponsors of the defined contribution, defined benefit and non-qualified deferred compensation plans, who have ultimate authority to direct the investing and reinvesting of plan assets as they deem appropriate, considering each plan's stated objective, liquidity needs, and stated policies and guidelines. Providing non-discretionary investment services to plans under the Employee Retirement Income Security Act of 1974, as amended ("ERISA") means that the ERISA plan client retains and exercises the final decision-making authority for implementing or rejecting TRC's recommendations. Certain of the foregoing services are provided by TRC as a fiduciary. When TRC provides investment advice for a fee to an ERISA plan or ERISA plan participant, it is a fiduciary under ERISA. In addition, TRC is a fiduciary under the Internal Revenue Code when it provides investment advice to an ERISA plan, ERISA plan participant, an IRA or an IRA owner (collectively, a "Retirement Account Client"). TRC is subject to specific duties and obligations under ERISA and the Internal Revenue Code that include, among other things, prohibited transaction rules which are intended to prohibit fiduciaries from engaging in specified conflicts of interest.

TRC intends to retain experienced investment advisors in the near future to help implement the advisory services described in Item 4.B. The Firm intends that some of these advisors will become executive officers of the Firm.

C. Client-Tailored Advisory Services

Financial counsel and investment advice is customized and tailored to the unique goals, objectives and needs of each client. The planning process begins with an in-depth discovery of the client's goals, objectives, and attitudes toward risk and reward. The goals and objectives for each client are documented in writing and approved by the client. The stated goals and objectives for each client are reflected in the client's overall recommended financial and investment program and advice that we provide on an ongoing basis.

D. Assets Under Management

TRC reasonably anticipates that it will be eligible for registration with the SEC by the end of the 120-day period following its approval as an SEC-registered investment advisor. As of the date of this filing, TRC manages approximately \$0 in assets on a discretionary basis and \$0 on a non-discretionary basis.

Item 5 - Fees and Compensation**A. Fees for Advisory Services**

TRC charges an annual advisory fee that is agreed upon with each client and set forth in an agreement executed by TRC and the client. TRC's fee for investment advisory services is negotiable and varies based on several factors, including, but not limited to, the size of the relationship, the nature and complexity of the products and investments involved, time commitments and travel requirements. If based on a percentage of the value of assets under management, the fee generally ranges between .25% and 1.00% annually of the value of the assets under management. If based on a percentage of assets under management, the advisory

fee for the initial quarter is payable on a *pro rata* basis, in arrears, based on the period ending value of the net billable assets under management. For subsequent quarters, the advisory fee generally is payable in advance based on the net billable asset value of the client's accounts on the last day of the previous quarter as provided by third-party sources such as pricing services, custodians, fund administrators, and client-provided sources. Client deposits of \$10 million or more that occur during a quarter, other than the initial quarter, are charged an advisory fee on a *pro rata* basis, in arrears, based upon the number of days remaining in the applicable quarter.

If fixed, the advisory fee for the initial quarter is payable, on a *pro rata* basis, in advance, based on the period ending value of the net billable assets under management as provided by third-party sources such as pricing services, custodians, fund administrators, and client-provided sources. For subsequent quarters, the fixed fee generally is payable in advance, based on the net billable asset value of the client's accounts on the last day of the previous quarter as provided by third-party sources such as pricing services, custodians, fund administrators, and client-provided sources. Client deposits of \$10 million or more that occur during a quarter, other than the initial quarter, are charged an advisory fee on a *pro rata* basis, in arrears, based upon the number of days remaining in the applicable quarter.

Clients have five (5) business days from the date of execution of the client agreement to terminate TRC's services. The investment advisory agreement between TRC and the client may be terminated at will by either TRC or the client upon written notice. TRC does not impose termination fees when the client terminates the investment advisory relationship, except when agreed upon in advance. In the event the investment advisory agreement is terminated, the fee for the final billing period is prorated through the effective date of the termination and the outstanding or unearned portion of the fee is charged or refunded to the client, as appropriate.

TRC offers its clients financial planning services. Such services, for some clients, may be included as part of the annual advisory fee. Clients may also enter into a separate agreement with TRC for financial planning services. Fees for services performed pursuant to such separate agreements for financial services are negotiable and are based on either an hourly rate that varies, depending on the experience, knowledge, and skill of those performing the services on behalf of TRC, or a flat fee agreed upon in writing by TRC and the client.

B. Payment of Fees

TRC generally deducts its advisory fee from a client's investment account(s) held at his/her custodian. Upon engaging TRC to manage such account(s), a client grants TRC this limited authority through a written instruction to the custodian of his/her account(s). The client is responsible to verify the accuracy of the calculation of the advisory fee; the custodian will not determine whether the fee is accurate or properly calculated. The fee generally is billed in advance on a quarterly basis, as described above in Item 5.A. A client may utilize the same procedure for the payment of financial planning or consulting fees if the client has investment accounts held at a custodian.

Although clients generally are required to have their investment advisory fees deducted from their accounts, in some cases, TRC will directly bill a client for investment advisory fees if it determines that such billing arrangement is appropriate given the circumstances.

The custodian of the client's accounts provides each client with a statement, at least quarterly, indicating separate line items for all amounts disbursed from the client's account(s), including any fees paid directly to TRC.

Clients may make additions to and withdrawals from their account at any time, subject to TRC's right to terminate an account. Additions may be in cash or securities provided that the Firm reserves the right to liquidate transferred securities or decline to accept particular securities into a client's account. Clients may withdraw account assets at any time on notice to TRC, subject to the usual and customary securities settlement procedures. However, the Firm generally designs its portfolios as long-term investments and the withdrawal of assets may impair the achievement of a client's investment objectives. TRC may consult with its clients about the options and implications of transferring securities. Clients are advised that when transferred securities are liquidated, they may be subject to transaction fees, short-term redemption fees, fees assessed at the mutual fund level (*e.g.* contingent deferred sales charges) and/or tax ramifications.

C. Clients Responsible for Fees Charged by Financial Institutions and External Money Managers

In connection with TRC's management of an account, a client will incur fees and/or expenses separate from and in addition to TRC's advisory fee. These additional fees may include transaction charges and the fees/expenses charged by any custodian, subadvisor, mutual fund, ETF, CEF, External Manager, separate account manager (and the manager's platform manager, if any), limited partnership, or other advisor, transfer taxes, odd lot differentials, exchange fees, interest charges, ADR processing fees, and any charges, taxes or other fees mandated by any federal, state or other applicable law, retirement plan account fees (where applicable), margin interest, brokerage commissions, mark-ups or mark-downs and other transaction-related costs, electronic fund and wire fees, and any other fees that reasonably may be borne by a brokerage account.

For External Managers, clients should review each manager's Form ADV 2A disclosure brochure and any contract they sign with the External Manager (in a dual contract relationship). The client is responsible for all such fees and expenses.

The investment management fees charged by the manager of a Private Fund, including a manager who is an affiliate or related person of TRC, are exclusive of, and in addition to, advisory fees charged by TRC on the assets under management in the Private Fund. Clients should review the Offering Materials of the Private Fund for disclosure of fees and expenses charged by the Private Fund.

D. Prepayment of Fees

As noted in Item 5(B) above, TRC's advisory fees generally are paid in advance. Upon the termination of a client's advisory relationship, TRC will issue a refund equal to any unearned management fee for the remainder of the quarter. The client may specify how he/she would like such refund issued (*i.e.*, a check sent directly to the client or a check sent to the client's custodian for deposit into his/her account).

E. Outside Compensation for the Sale of Securities or Other Investment Products to Clients

TRC does not buy or sell securities and does not receive any compensation for securities transactions in any client account, other than the investment advisory fees noted above.

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

Performance-based fees are fees that are based on a share of a capital gains or capital appreciation of a client's account. Side-by-side management refers to the practice of managing accounts that are charged performance-based fees while at the same time managing accounts that are not charged performance-based fees. TRC's fees are calculated as described in Item 5 above. TRC does not charge performance-based fees or participate in side by side management.

However, TRC may recommend External Managers and investment funds, including Private Funds, which may assess a performance-based fee. Such recommendations to invest with an External Manager or in a Private Fund with a performance-based fee arrangement would be preceded by an assessment as to the suitability and appropriateness of such an investment, relative to other similar investments, if any, which do not assess a performance-fee arrangement.

Item 7 - Types of Clients

TRC offers investment advisory services to individuals, including high net worth individuals, and entities, including, but not limited to, family offices, trusts, estates, private foundations, charities, small businesses, and pension and retirement/profit-sharing plans.

TRC does not have a minimum fee or a minimum asset requirement as a condition for starting and maintaining an investment advisory relationship.

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

Overall investment strategies recommended to each client generally emphasize long-term ownership of a diversified portfolio of marketable and non-marketable investments intended to provide superior after-tax, inflation-adjusted, economic returns. TRC generally recommends broad diversification via a long-term asset allocation strategy -- diversified both across asset classes and within asset classes -- in an effort to improve the risk and return potential of client portfolios. More specifically, we may recommend multiple asset classes (both liquid and illiquid), market capitalizations, market styles, and geographic regions to provide diversification.

Client portfolios with similar investment objectives and asset allocation goals may own different securities and investments. The client's portfolio size, tax sensitivity, desire for simplicity, long-term wealth transfer objectives, time horizon and choice of custodian are all factors that influence TRC's investment recommendations.

Investment advice given to clients more often than not includes recommending long term purchases or holding on to certain assets. However, other investment strategies that may also be recommended include short-term purchases, margin transactions, short-selling, and options strategies.

Marketable asset classes recommended by TRC primarily include equities, corporate bonds, U.S. government and municipal debt securities, mutual funds, CEFs, ETFs, and structured products. Investment recommendations may also include warrants, commercial paper, certificates of deposit, options contracts, and interests in limited partnerships. Mutual fund, CEF, ETF and separately managed account recommendations are generally developed with the objective of selecting a well-diversified fund, or group of funds, with appropriate historical performance, at a level of volatility (risk) determined to be appropriate for each client.

TRC may also recommend Private Funds to clients. *See* Item 4(B) (“Types of Advisory Services”) for a description of Private Funds.

TRC relies on various third-parties including investment research organizations, consultants, appraisers, accountants, and lawyers as necessary for specialized assistance.

TRC does not represent, imply or guarantee that the services or methods of analysis used by TRC to make investment recommendations can or will produce successful results, successfully identify market tops or bottoms, or insulate clients from losses due to market corrections or crashes. No guarantees can be offered that a client’s goals or objectives will be achieved. Past performance is not an indication or guarantee of future results. Clients are advised that the recommendations offered by TRC are not legal or tax advice. Clients are advised to promptly notify TRC with respect to any changes in their financial situation and/or financial goals and objectives. Failure to do so could result in our recommendations not meeting the objectives and/or needs of the client.

B. Material Risks

The mutual funds, ETFs, CEFs, separately managed accounts, Private Funds and External Managers that the Firm typically utilizes to invest client assets generally own, purchase and sell securities and therefore also involve the risk of loss that is inherent in investing in securities. *Past performance of a security, fund or manager is not necessarily indicative of future performance or risk of loss.* Investing in securities involves a risk of loss. A client can lose all or a substantial portion of his/her investment. A client should be willing to bear such a loss. Some investments are intended only for sophisticated investors and can involve a high degree of risk.

The following events could cause equities and fixed income securities, mutual funds, ETFs, CEFs and Private Funds, and other investments managed for clients, as well as those managed by External Managers, to decrease in value:

- **Market Risk:** The price of an equity security, bond, or mutual fund, ETF or CEF may drop in reaction to tangible and intangible events and conditions. This type of risk is caused by external factors independent of a security’s or fund’s particular underlying circumstances. For example, changes in political, economic and social conditions may trigger adverse market events.

- Interest-rate Risk: Fluctuations in interest rates may cause investment prices to fluctuate. For example, when interest rates rise, yields on existing bonds become less attractive, causing their market values to decline.
- Event Risk: An adverse event affecting a particular company or that company's industry could depress the price of a client's investments in that company's stocks or bonds. The company, government or other entity that issued bonds in a client's portfolio could become less able to, or fail to, repay, service or refinance its debts, or the issuer's credit rating could be downgraded by a rating agency. Adverse events affecting a particular country, including political and economic instability, could depress the value of investments in issuers headquartered or doing business in that country.
- Liquidity Risk: Securities that are normally liquid may become difficult or impossible to sell at an acceptable price during periods of economic instability or other emergency conditions. Some securities may be infrequently or thinly traded even under normal market conditions.
- Leverage Risk: The use of leverage may lead to increased volatility of a fund's NAV and market price relative to its common shares. Leverage is likely to magnify any losses in the fund's portfolio, which may lead to increased market price declines. There is no assurance that a leveraging strategy will be successful.
- Domestic and/or Foreign Political Risk: The events that occur in the U.S. relating to politics, government, and elections can affect the U.S. markets. Political events occurring in the home country of a foreign company such as revolutions, nationalization, and currency collapse can have an impact on the security.
- Inflation Risk: Countries around the globe may be more, or less, prone to inflation than the U.S. economy at any given time.
- Currency Risk: Overseas investments are subject to fluctuations in the value of the U.S. dollar against the currency of the investment's originating country. This is also referred to as exchange rate risk.
- Reinvestment Risk: This risk is that future proceeds from investments may have to be reinvested at a potentially lower rate of return (i.e., interest rate). This primarily relates to fixed income securities.
- Operational Risk: Fund advisors and service providers may experience disruptions or operating errors such as processing errors or human errors, inadequate or failed internal or external processes, or systems or technology failures, that could negatively impact the fund.
- Regulatory/Legislative Developments Risk: Regulators and/or legislators may promulgate rules or pass legislation that places restrictions on, adds procedural hurdles to, affects the liquidity of, and/or

alters the risks associated with certain investment transactions or the securities underlying such investment transactions. Such rules/legislation could affect the value associated with such investment transactions or underlying securities.

- **Illiquid Securities:** Investments in Private Funds or other private investment vehicles or private securities may underperform publicly offered and traded securities because such investments:
 - Typically require investors to lock-up their assets for a period and may be unable to meet redemption requests during adverse economic conditions;
 - Have limited or no liquidity because of restrictions on the transfer of, and the absence of a market for, interests in these funds;
 - Are more difficult to monitor and value due to a lack of transparency and publicly available information about these funds;
 - May have higher expense ratios and involve more inherent conflicts of interest than publicly traded investments; and
 - Involve different risks than investing in registered funds and other publicly offered and traded securities. These risks may include those associated with more concentrated, less diversified investment portfolios, investment leverage and investments in less liquid and non-traditional asset classes.

Use of External Managers

TRC may select certain External Managers to manage a portion of its clients' assets. In these situations, TRC conducts due diligence of such managers, but the success of such recommendations relies to a great extent on the External Managers' ability to successfully implement their investment strategies. In addition, TRC generally may not have the ability to supervise the External Managers on a day-to-day basis.

Risks of Specific Securities

Mutual Funds and ETFs

An investment in a mutual fund or an ETF involves risk, including the loss of principal. Mutual fund and ETF shareholders are necessarily subject to the risks stemming from the individual issuers of the fund's underlying portfolio securities. Such shareholders are also liable for taxes on any fund-level capital gains, as mutual funds and ETFs are required by law to distribute capital gains in the event they sell securities for a profit that cannot be offset by a corresponding loss. Shares of mutual funds are generally distributed and redeemed on an ongoing basis by the fund itself or a broker acting on its behalf. The trading price at which a share is transacted is equal to a fund's stated daily per share net asset value ("NAV"), plus any shareholders fees (e.g., sales loads, purchase fees, redemption fees). The per share NAV of a mutual fund is calculated at the end of each business day, although the actual NAV fluctuates with intraday changes to the market value of the fund's holdings. The trading prices of a mutual fund's shares may differ significantly

from the NAV during periods of market volatility, which may, among other factors, lead to the mutual fund's shares trading at a premium or discount to actual NAV. Shares of ETFs are listed on securities exchanges and transacted at negotiated prices in the secondary market. Generally, ETF shares trade at or near their most recent NAV, which is generally calculated at least once daily for indexed based ETFs and potentially more frequently for actively managed ETFs. However, certain inefficiencies may cause the shares to trade at a premium or discount to their pro rata NAV. There is also no guarantee that an active secondary market for such shares will develop or continue to exist. Generally, an ETF only redeems shares when aggregated as creation units (usually 50,000 shares or more). Therefore, if a liquid secondary market ceases to exist for shares of a particular ETF, a shareholder may have no way to dispose of such shares.

Initial Public Offerings

Investments in initial public offerings (or shortly thereafter) may involve higher risks than investments issued in secondary public offerings or purchases on a secondary market due to a variety of factors, including, without limitation, the limited number of shares available for trading, unseasoned trading, lack of investor knowledge of the issuer and limited operating history of the issuer. In addition, some companies in initial public offerings are involved in relatively new industries or lines of business, which may not be widely understood by investors. Some of these companies may be undercapitalized or regarded as developmental stage companies, without revenues or operating income, or the near-term prospects of achieving them. These factors may contribute to substantial price volatility for such securities and, thus, for the value of the company's shares.

Closed-End Funds

CEFs typically use a high degree of leverage. They may be diversified or non-diversified. Risks associated with closed-end fund investments include liquidity risk, credit risk, volatility and the risk of magnified losses resulting from the use of leverage. Additionally, closed-end funds may trade below their net asset value.

Options Trading

Certain strategies employed by External Managers, ETFs, CEFs or mutual funds may involve the use of options.

Investments in options contracts have the risk of losing value in a relatively short period of time. Options are investments whose ultimate value is determined from the value of the underlying investment. Option contracts are leveraged instruments that allow the holder of a single contract to control many shares of an underlying stock. This leverage can compound gains or losses.

Call Options. The seller (writer) of a call option which is covered (i.e., the writer holds the underlying security) assumes the risk of a decline in the market price of the underlying security below the purchase price of the underlying security less the premium received and gives up the opportunity for gain on the underlying security above the exercise price of the option. The seller of an uncovered call option assumes the risk of a theoretically unlimited increase in the market price of the underlying security above the exercise

price of the option. The securities necessary to satisfy the exercise of an uncovered call option may be unavailable for purchase, except at much higher prices, thereby reducing or eliminating the value of the premium. Purchasing securities to cover the exercise of an uncovered call option can cause the price of the securities to increase, thereby exacerbating the loss. The buyer of a call option assumes the risk of losing its entire premium investment in the call option.

Put Options. The seller (writer) of a put option which is covered (i.e., the writer has a short position in the underlying security) assumes the risk of an increase in the market price of the underlying security above the sales price (in establishing the short position) of the underlying security plus the premium received, and gives up the opportunity for gain on the underlying security if the market price falls below the exercise price of the option. The seller of an uncovered put option assumes the risk of a decline in the market price of the underlying security below the exercise price of the option. The buyer of a put option assumes the risk of losing its entire investment in the put option.

Index Options. The value of an index or index option fluctuates with changes in the market values of the assets included in the index. Because the value of an index or index option depends upon movements in the level of the index rather than the price of a particular asset, whether the client will realize appreciation or depreciation from the purchase or writing of options on indices depends upon movements in the level of instrument prices in the assets generally or, in the case of certain indices, in an industry or market segment, rather than movements in the price of particular assets.

Hedging transactions. Options may be used for risk management purposes. However, TRC or an External Manager may be unable to anticipate the occurrence of a particular risk and, therefore, may be unable to attempt to hedge against it. The use of hedging transactions may result in a poorer overall performance than if TRC or the External Manager had not engaged in any such transactions. Moreover, client portfolios will always be exposed to certain risks that cannot be hedged.

Risks Associated with Structured Notes

Complexity. Structured notes are complex financial instruments. Clients should review the prospectus and other offering documents associated with structured notes. Clients should understand the reference asset(s) or index(es) and determine how the note's payoff structure incorporates such reference asset(s) or index(es) in calculating the note's performance. This payoff calculation may include leverage multiplied on the performance of the reference asset or index, protection from losses should the reference asset or index produce negative returns, and fees. Structured notes may have complicated payoff structures that can make it difficult for clients to accurately assess their value, risk and potential for growth through the term of the structured note. Determining the performance of each note can be complex and this calculation can vary significantly from note to note depending on the structure. Notes can be structured in a wide variety of ways. Payoff structures can be leveraged, inverse, or inverse-leveraged, which may result in larger returns or losses. Clients should carefully read the prospectus for a structured note to fully understand how the payoff on a note will be calculated and discuss these issues with us.

Market risk. Some structured notes provide for the repayment of principal at maturity, which is often referred to as "principal protection." This principal protection is subject to the credit risk of the issuing

financial institution. Many structured notes do not offer this feature. For structured notes that do not offer principal protection, the performance of the linked asset or index may cause clients to lose some, or all, of their principal. Depending on the nature of the linked asset or index, the market risk of the structured note may include changes in equity or commodity prices, changes in interest rates or foreign exchange rates, or market volatility. The valuation of a structured note prior to maturity can be detached from the valuation of the underlying or referenced security.

Issuance price and note value. The price of a structured note at issuance will likely be higher than the fair value of the structured note on the date of issuance. Issuers now disclose an estimated value of the structured note on the cover page of the offering prospectus, allowing investors to gauge the difference between the issuer's estimated value of the note and the issuance price. The initial market value of the notes is likely lower than the issuance price of the note to investors because issuers include the costs for selling, structuring or hedging the exposure on the note in the initial price of their notes. After issuance, structured notes may not be re-sold on a daily basis and thus may be difficult to value given their complexity.

Liquidity. The ability to trade or sell structured notes in a secondary market is often very limited as structured notes (other than exchange-traded notes known as ETNs) are not listed for trading on security exchanges. As a result, the only potential buyer for a structured note may be the issuing financial institution's broker-dealer affiliate or the broker-dealer distributor of the structured note. In addition, issuers often specifically disclaim their intention to repurchase or make markets in the notes they issue. Clients should, therefore, be prepared to hold a structured note to its maturity date, or risk selling the note at a discount to its value at the time of sale.

Credit risk. Structured notes are unsecured debt obligations of the issuer, meaning that the issuer is obligated to make payments on the notes as promised. These promises, including any principal protection, are only as good as the financial health of the structured note issuer. If the structured note issuer defaults on these obligations, investors may lose some, or all, of the principal amount they invested in the structured notes as well as any other payments that may be due on the structured notes.

Cybersecurity

The computer systems, networks and devices used by TRC and service providers to us and our clients to carry out routine business operations employ a variety of protections designed to prevent damage or interruption from computer viruses, network failures, computer and telecommunication failures, human error, infiltration by unauthorized persons and security breaches. Despite the various protections utilized, systems, networks, or devices potentially can be breached. A client could be negatively impacted as a result of a cybersecurity breach. Cybersecurity breaches can include unauthorized access to systems, networks, or devices; infection from computer viruses or other malicious software code; and attacks that shut down, disable, slow, or otherwise disrupt operations, business processes, or website access or functionality. Cybersecurity breaches may cause disruptions and impact business operations, potentially resulting in financial losses to a client; impediments to trading; the inability by us and other service providers to transact business; violations of applicable privacy and other laws; regulatory fines, penalties, reputational damage, reimbursement or other compensation costs, or additional compliance costs; as well as the inadvertent

release of confidential information. Similar adverse consequences could result from cybersecurity breaches affecting issuers of securities in which a client invests; governmental and other regulatory authorities; exchange and other financial market operators, banks, brokers, dealers, and other financial institutions; and other parties. In addition, substantial costs may be incurred by these entities in order to prevent any cybersecurity breaches in the future.

Pay-to-Play

A number of U.S. states and municipal pension plans have adopted so-called “pay-to-play” laws, regulations, or policies that prohibit, restrict, or require that individuals or entities seeking to do business with state entities, including those seeking investments by public retirement funds, disclose payments to and/or contracts with state officials. The SEC has adopted rules prohibiting investment advisers from providing advisory services for compensation to a government client for two years after the adviser or certain of its executives, employees, or agents makes a contribution to certain elected officials or candidates. If TRC, any of its employees or affiliates, or any service providers acting on its behalf fail to comply with such laws, regulations, or policies, it could adversely and materially affect TRC’s business and its ability to manager certain client accounts.

Item 9 – Disciplinary Information

Registered investment advisors are required to disclose all material facts regarding any legal or disciplinary events that would be material to a client’s evaluation of TRC and the integrity of TRC’s management. TRC has no information to disclose applicable to this Item.

Item 10 – Other Financial Industry Activities and Affiliations

Recommendation of External Managers

TRC may recommend that clients use External Managers based on the client’s needs and suitability. TRC does not receive separate compensation, directly or indirectly, from such external managers for recommending that clients use their services. TRC does not have any other business relationships with the recommended External Managers.

Recommendation of Private Funds

As disclosed in Item 4.B, TRC may recommend that clients invest in Private Funds based on the client’s needs, financial condition, risk profile and other suitability factors. TRC does not receive separate compensation, directly or indirectly, from the managers of unaffiliated Private Funds. In the case of a Private Fund that is affiliated with TRC, or managed by an affiliate of TRC, a TRC affiliate or a TRC-related person may benefit financially if TRC recommends that its clients invest in the Private Fund.

Item 11 – Code of Ethics, Participation or Interest in Client Transactions

A. Description of Code of Ethics

TRC has adopted a code of ethics in compliance with applicable securities laws (“Code of Ethics”) that sets forth the standards of conduct expected of its Supervised Persons. TRC’s Code of Ethics contains written policies reasonably designed to prevent certain unlawful practices such as the use of material non-public information by TRC or any of its Supervised Persons and the trading of the same securities ahead of clients in order to take advantage of pending orders.

The Code of Ethics also requires certain of TRC’s personnel to report their personal securities holdings and transactions and obtain pre-approval of certain investments (e.g., initial public offerings, limited offerings). However, TRC’s Supervised Persons are permitted to buy or sell securities that it also recommends to clients if done in a fair and equitable manner that is consistent with TRC’s policies and procedures. This Code of Ethics has been established recognizing that some securities trade in sufficiently broad markets to permit transactions by certain personnel to be completed without any appreciable impact on the markets of such securities. Therefore, under limited circumstances, exceptions may be made to the policies stated below.

When TRC is engaging in or considering a transaction in any security on behalf of a client, no Supervised Person with access to this information may knowingly effect for themselves or for their immediate family (i.e., spouse, minor children and adults living in the same household) a transaction in that security unless:

- the transaction has been completed;
- the transaction for the Supervised Person is completed as part of a batch trade with clients;
or
- a decision has been made not to engage in the transaction for the client.

These requirements are not applicable to: (i) direct obligations of the Government of the United States; (ii) money market instruments, bankers’ acceptances, bank certificates of deposit, commercial paper, repurchase agreements and other high-quality short-term debt instruments, including repurchase agreements; (iii) shares issued by mutual funds or money market funds; and (iv) shares issued by unit investment trusts that are invested exclusively in one or more mutual funds.

Clients and prospective clients may contact TRC to request a copy of its Code of Ethics.

Item 12 – Brokerage Practices

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

TRC generally recommends that its investment management clients utilize the custody and brokerage services of an unaffiliated broker/dealer custodian (a “BD/Custodian”) with which TRC has an institutional relationship. Currently, this includes Fidelity Clearing & Custody Solutions, a division of Fidelity Investments, Inc. (“Fidelity”), which is a FINRA-registered broker-dealer and member of SIPC and a “Qualified Custodian” as that term is described in Rule 206(4)-2 of the Investment Advisers Act of 1940 (“Advisers Act”). Each BD/Custodian provides custody of securities, trade execution, and clearance and settlement of transactions placed by TRC. If your accounts are custodied at Fidelity, Fidelity will hold your assets in a brokerage account and buy and sell securities when we instruct them to.

In deciding to recommend Fidelity, some of the factors that TRC considers include:

- Trade order execution and the ability to provide accurate and timely execution of trades;
- The reasonableness and competitiveness of commissions and other transaction costs;
- Access to a broad range of investment products;
- Access to trading desks;
- Technology that integrates within TRC's environment, including interfacing with TRC's portfolio management system;
- A dedicated service or back office team and its ability to process requests from TRC on behalf of its clients;
- Ability to provide TRC with access to client account information through an institutional website; and
- Ability to provide clients with electronic access to account information and investment and research tools.

TRC generally places portfolio transactions through the BD/Custodian where the clients' accounts are custodied. In exchange for using the services of the BD/Custodian, TRC may receive, without cost, computer software and related systems support that allows TRC to monitor and service its clients' accounts maintained with such BD/Custodian.

Fidelity also makes available to the Firm products and services that benefit the Firm but may not directly benefit the client or the client's account. These products and services assist us in managing and administering client accounts. They include investment research, both Fidelity's own and that of third parties. TRC may use this research to service all or some substantial number of client accounts, including accounts not maintained at Fidelity. In addition to investment research, Fidelity also makes available software and other technology that:

- provides access to client account data (such as duplicate trade confirmations and account statements);
- facilitates trade execution and allocates aggregated trade orders for multiple client accounts;
- provides pricing and other market data;
- facilitates payment of our fees from our clients' accounts; and
- assists with back-office functions, recordkeeping, and client reporting.

Fidelity also offers other services intended to help us manage and further develop our business enterprise. These services include:

- educational conferences and events;
- technology, compliance, legal, and business consulting;
- publications and conferences on practice management and business succession; and
- access to employee benefits providers, human capital consultants, and insurance providers.

Fidelity may provide some of these services itself. In other cases, it will arrange for third-party vendors to provide the services to the Firm. Fidelity may also discount or waive its fees for some of these services or pay all or a part of a third party's fees. Fidelity may also provide the Firm with other benefits such as occasional business entertainment of Firm personnel.

In connection with the launch of TRC and the Firm's intention to recommend that clients custody their assets with Fidelity, Fidelity has agreed to provide TRC with reimbursement of Transfer or Account Exit Fees. These funds will be used toward fees client accounts will bear if the accounts are transferred to Fidelity. Fidelity has also agreed to pay for eligible third-party vendor services and services such as certain marketing, technology, consulting and research expenses provided by Fidelity affiliates.

The reimbursement of transition-related expenses by Fidelity presents a conflict of interest because it will be used for the payment of expenses that do not directly benefit client accounts. The financial benefits received from Fidelity do not reduce the investment management fees clients pay to TRC. These products and services from Fidelity benefit TRC in that TRC does not have to purchase them. The benefits provide an incentive for TRC to routinely recommend Fidelity as custodian over custodians who do not offer such products and services. TRC addressed this conflict through this disclosure and by reviewing the pricing of fees, expenses and quality of services offered by Fidelity and determining that the recommendation of Fidelity is in the best interest of clients.

TRC may offer certain qualified clients trading services which gives TRC the ability to execute trades through other broker-dealers when placing securities transactions on behalf of clients with assets custodied at Fidelity or another BD/Custodian. In such instances where TRC trades away from Fidelity or another BD/Custodian, the account will incur a trade-away fee from a BD/Custodian for each transaction that is executed on a trade-away basis. The fee is separate from the commission/transaction fee or mark-up/mark-down imposed by the broker-dealer through which the trade was executed.

Trading away may be advantageous for the client because:

- the broker-dealer may have expertise in a particular security or market;
- the broker-dealer makes a market in a particular security;
- a particular security is thinly traded; or
- the broker-dealer can identify a counter-party for a trade.

A client may pay higher net execution costs than he/she would have paid if the transaction were placed through the BD/Custodian holding his or her assets.

TRC will periodically review its arrangements with BD/Custodians and other broker-dealers against other possible arrangements in the marketplace as it strives to achieve best execution on behalf of its clients. TRC maintains a list of broker-dealers that have been approved for trading clients' assets away from a BD/Custodian. In seeking best execution, the determinative factor is not the lowest possible cost, but whether the transaction represents the best qualitative execution, taking into consideration the full range of a broker-dealer's services, including, but not limited to, the following:

- a broker-dealer's trading expertise, including its ability to complete trades, execute and settle difficult trades, obtain liquidity to minimize market impact and accommodate unusual market conditions, maintain anonymity, and account for its trade errors and correct them in a satisfactory manner;
- a broker-dealer's infrastructure, including order-entry systems, adequate lines of communication, timely order execution reports, an efficient and accurate clearance and settlement process, and capacity to accommodate unusual trading volume;
- a broker-dealer's ability to minimize total trading costs while maintaining its financial health, such as whether a broker-dealer can maintain and commit adequate capital when necessary to complete trades, respond during volatile market periods, and minimize the number of incomplete trades;
- a broker-dealer's ability to provide research and execution services, including advice as to the value or advisability of investing in or selling securities, analyses and reports concerning such matters as companies, industries, economic trends and political factors, or services incidental to executing securities trades, including clearance, settlement and custody; and
- a broker-dealer's ability to provide services to accommodate special transaction needs, such as the broker-dealer's ability to execute and account for client-directed arrangements and soft dollar arrangements, participate in underwriting syndicates, and obtain initial public offering shares.

As described above, Fidelity provides to TRC, without cost, research and trade execution services. Fidelity makes these services available to similarly situated investment advisers whose clients custody their assets with Fidelity. Access to research and trade execution services is not predicated on the execution of client securities transactions (*e.g.*, not "soft dollars"). TRC has not entered into any formal "soft dollar" arrangements with broker-dealers.

TRC's clients may utilize qualified custodians other than Fidelity for certain accounts and assets, particularly where clients have a previous relationship with such qualified custodians. TRC may choose to recommend additional qualified custodians in the future.

Brokerage for Client Referrals

TRC does not select or recommend broker-dealers based solely on whether or not it may receive client referrals from a broker-dealer or third party.

Client-Directed Brokerage

TRC does not permit clients to direct brokerage.

B. Trade Aggregation

To the extent that the Firm determines to aggregate client orders for the purchase or sale of securities, including securities in which the Firm's supervised persons may invest, the Firm will generally do so in a fair and equitable manner in accordance with applicable rules promulgated under the Advisers Act and guidance provided by the staff of the SEC and consistent with policies and procedures established by the Firm.

Item 13 – Review of Accounts

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

TRC monitors investment advisory portfolios as part of a continuous and ongoing process. TRC advisers aspire to meet quarterly with each client, and have at least one annual meeting with every client to conduct a formal review of each client's account. These reviews may include the following:

- comparing the account's allocation with stated goals and client cash-flows at time of review;
- reviewing holdings and considering alternatives;
- monitoring the size of individual securities relevant to their sectors, asset classes, and overall account size;
- analyzing an account's composition and performance, income, appreciation, gains or losses, and asset allocation; and
- assessing the account's performance.

Factors that may trigger an additional review, other than a periodic review, include material market, economic or political events, known significant changes in a client's financial situation and/or objectives, and large deposits or withdrawals from the accounts. Clients are encouraged to notify TRC if changes occur in the client's personal financial situation that might affect the client's investment plan.

B. Other Reviews

TRC may perform compliance and/or supervisory reviews of a sampling of client accounts. These reviews may include comparing an account's strategy and/or allocation to the account's stated objectives, reviewing commission and transaction costs borne by the account, and reviewing the billing rate and charges.

C. Content and Frequency of Regular Reports Provided to Clients

Clients will receive brokerage statements no less than quarterly from the qualified custodian. These brokerage statements are sent directly from the custodian to the client. The client may also establish electronic access to the custodian's website so that the Client may view these reports and their account activity. Client brokerage statements will include all positions, transactions and fees relating to the client's account(s). The client advisor may also provide clients with periodic reports regarding their holdings, allocations, and performance.

Item 14 – Client Referrals and Other Compensation

A. Economic Benefits Provided by Third Parties for Advice Rendered to Clients

TRC does not receive benefits from third parties for providing investment advice to clients.

B. Compensation to non-Supervised Persons for Client Referrals

TRC does not currently have referral arrangements with solicitors but may in the future enter into referral arrangements with unaffiliated individuals who may from time-to-time refer potential investors to TRC for investment management services and be compensated for successful referrals by receiving a percentage of the advisory fee TRC receives from such clients. Any such arrangements must be in compliance with Rule 206(4)-3 of the Advisers Act.

Item 15 – Custody

All clients must utilize a “qualified custodian” as detailed in Item 12. Clients are required to engage the custodian to retain their funds and securities and direct TRC to utilize the custodian for the client’s securities transactions. TRC’s agreement with clients and/or the clients’ separate agreement with the BD/Custodian may authorize TRC through such BD/Custodian to debit the client’s account for the amount of TRC’s fee and to directly remit that fee to TRC in accordance with applicable custody rules.

The BD/Custodian recommended by TRC has agreed to send a statement to the client, at least quarterly, indicating all amounts disbursed from the account including the amount of management fees paid directly to TRC. TRC encourages clients to review the official statements provided by the BD/Custodian, and to compare such statements with investment reports received from TRC. For more information about BD/Custodians and brokerage practices, see Item 12, Brokerage Practices.

TRC will accept authority granted to it by clients to disburse client funds to specific third parties through Standing Letters of Authorization (“SLOAs”). In accordance with the February 21, 2017 no-action letter issued by the SEC to the Investment Adviser Association (“No-Action Letter”),¹ The Firm will act pursuant to the specific guidelines contained in the No-Action Letter, and therefore will not obtain a surprise examination.

Item 16 – Investment Discretion

Clients have the option of providing TRC with investment discretion on their behalf, pursuant to a grant of a limited power of attorney contained in TRC’s client agreement. By granting TRC investment discretion, a client authorizes TRC to direct securities transactions and determine which securities are bought and sold, the total amount to be bought and sold, and the costs at which the transactions will be effected. Clients may

¹ Investment Adviser Association, SEC Staff No-Action Letter (Feb. 21, 2017), available at: <https://www.sec.gov/divisions/investment/noaction/2017/investment-adviser-association-022117-206-4.htm>

impose reasonable limitations in the form of specific constraints on any of these areas of discretion with the consent and written acknowledgement of TRC. See also Item 4(C), Client-Tailored Advisory Services.

Item 17 – Voting Client Securities

As a matter of policy, TRC does not vote client securities (proxies) held in client accounts. The client remains responsible for such matters.

Item 18 – Financial Information

A. Balance Sheet

TRC does not require prepayment of more than \$1,200 in fees per client, six months or more in advance, and therefore does not need to include a balance sheet with this Brochure.

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

Neither TRC nor its management has any financial conditions that are reasonably likely to impair its ability to meet contractual commitments to clients.

C. Bankruptcy Petitions in Previous Years

TRC has not been the subject of a bankruptcy petition.