

Uniform Application for Investment Adviser Registration

Part II - Page 1

Name of Investment Adviser: THE MUTUAL FUND STORE				
Address: (Number and Street)	(City)	(State)	(Zip Code)	Area Code Telephone number
7990 Arco Corporate Drive Suite 113	Raleigh	NC	27617	919-405-3800

This part of Form ADV gives information about the investment adviser and its business for the use of clients.
The information has not been approved or verified by any governmental authority.

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(Schedules A, B, C, D, and E are included with Part I of this Form, for the use of regulatory bodies, and are not distributed to clients.)

Definitions for Part II

Related person - Any officer, director or partner of applicant or any person directly or indirectly controlling, controlled by, or under common control with the applicant, including any non-clerical, non-ministerial employee.

Investment Supervisory Services – Giving continuous investment advice to a client (or making investments for the client) based on the individual needs of the client. Individual needs include, for example, the nature of other client assets and the client's personal and family obligations.

1. **A. Advisory Services and Fees.** (check the applicable boxes)

For each type of service provided, state the approximate % of total advisory billings from that service.
(See instructions below.)

Applicant:

- | | | | |
|-------------------------------------|-----|---|---------------|
| <input checked="" type="checkbox"/> | (1) | Provides investment supervisory services | <u>90</u> % |
| <input type="checkbox"/> | (2) | Manages investment advisory accounts not involving investment supervisory services | <u> </u> % |
| <input checked="" type="checkbox"/> | (3) | Furnishes investment advice through consultations not included in either service described above | <u>10</u> % |
| <input type="checkbox"/> | (4) | Issues periodicals about securities by subscription | <u> </u> % |
| <input type="checkbox"/> | (5) | Issues special reports about securities not included in any service described above | <u> </u> % |
| <input type="checkbox"/> | (6) | Issues, not as part of any service described above, any charts, graphs, formulas, or other devices which clients may use to evaluate securities | <u> </u> % |
| <input type="checkbox"/> | (7) | On more than an occasional basis, furnishes advice to clients on matters not involving securities | <u> </u> % |
| <input type="checkbox"/> | (8) | Provides a timing service | <u> </u> % |
| <input type="checkbox"/> | (9) | Furnishes advice about securities in any manner not described above | <u> </u> % |

(Percentages should be based on applicant's last fiscal year. If applicant has not completed its first fiscal year, provide estimates of advisory billings for that year and state that the percentages are estimates.)

- | | | | |
|----|---|---|-----------------------------|
| B. | Does applicant call any of the services it checked above financial planning or some similar term? | Yes <input checked="" type="checkbox"/> | No <input type="checkbox"/> |
|----|---|---|-----------------------------|

C. Applicant offers investment advisory services for: (check all that apply)

- | | | | | | |
|-------------------------------------|-----|--|--------------------------|-----|-------------------|
| <input checked="" type="checkbox"/> | (1) | A percentage of assets under management | <input type="checkbox"/> | (4) | Subscription fees |
| <input checked="" type="checkbox"/> | (2) | Hourly charges | <input type="checkbox"/> | (5) | Commissions |
| <input checked="" type="checkbox"/> | (3) | Fixed Fees (not including subscription fees) | <input type="checkbox"/> | (6) | Other |

D. For each checked box in A above, describe on Schedule F:

- the services provided, including the name of any publication or report issued by the adviser on a subscription basis or for a fee
- applicant's basic fee schedule, how fees are charged and whether its fees are negotiable
- when compensation is payable, and if compensation is payable before service is provided, how a client may get a refund or may terminate an investment advisory contract before its expiration date

2. **Types of Clients** - Applicant generally provides investment advice to: (check those that apply)

- | | | | | | |
|-------------------------------------|----|----------------------------------|-------------------------------------|----|---|
| <input checked="" type="checkbox"/> | A. | Individuals | <input type="checkbox"/> | E. | Trusts, estates, or charitable organizations |
| <input type="checkbox"/> | B. | Banks or thrift institutions | <input checked="" type="checkbox"/> | F. | Corporations or business entities other than those listed above |
| <input type="checkbox"/> | C. | Investment Companies | <input type="checkbox"/> | G. | Other (describe on Schedule F) |
| <input type="checkbox"/> | D. | Pension and profit sharing plans | | | |

Answer all items. Complete amended pages in full, circle amended items and file with execution page (page 1).

3. Types of Investments. Applicant offers advice on the following: (check those that apply)

- | | |
|--|--|
| <input checked="" type="checkbox"/> A. Equity Securities | <input checked="" type="checkbox"/> H. United States government securities |
| <input checked="" type="checkbox"/> (1) exchange-listed securities | <input type="checkbox"/> I. Options contracts on: |
| <input checked="" type="checkbox"/> (2) securities traded over-the-counter | <input checked="" type="checkbox"/> (1) securities |
| <input checked="" type="checkbox"/> (3) foreign issuers | <input type="checkbox"/> (2) commodities |
| <input checked="" type="checkbox"/> B. Warrants | <input type="checkbox"/> J. Futures contracts on: |
| <input checked="" type="checkbox"/> C. Corporate debt securities (other than commercial paper) | <input type="checkbox"/> (1) tangibles |
| <input checked="" type="checkbox"/> D. Commercial paper | <input type="checkbox"/> (2) intangibles |
| <input checked="" type="checkbox"/> E. Certificates of deposit | <input type="checkbox"/> K. Interests in partnerships investing in: |
| <input checked="" type="checkbox"/> F. Municipal securities | <input type="checkbox"/> (1) real estate |
| <input type="checkbox"/> G. Investment company securities: | <input type="checkbox"/> (2) oil and gas interests |
| <input type="checkbox"/> (1) variable life insurance | <input type="checkbox"/> (3) other (explain on Schedule F) |
| <input checked="" type="checkbox"/> (2) variable annuities | <input type="checkbox"/> L. Other (explain on Schedule F) |
| <input checked="" type="checkbox"/> (3) mutual fund shares | |

4. Methods of Analysis, Sources of Information, and Investment Strategies.

A. Applicant's security analysis methods include: (check those that apply)

- | | |
|---|--|
| (1) <input checked="" type="checkbox"/> Charting | (4) <input type="checkbox"/> Cyclical |
| (2) <input checked="" type="checkbox"/> Fundamental | (5) <input type="checkbox"/> Other (explain on Schedule F) |
| (3) <input checked="" type="checkbox"/> Technical | |

B. The main sources of information applicant uses include: (check those that apply)

- | | |
|---|---|
| (1) <input checked="" type="checkbox"/> Financial newspapers and magazines | (5) <input type="checkbox"/> Timing services |
| (2) <input type="checkbox"/> Inspections of corporate activities | (6) <input checked="" type="checkbox"/> Annual reports, prospectuses, filings with the Securities and Exchange Commission |
| (3) <input checked="" type="checkbox"/> Research materials prepared by others | (7) <input checked="" type="checkbox"/> Company press releases |
| (4) <input checked="" type="checkbox"/> Corporate rating services | (8) <input checked="" type="checkbox"/> Other (explain on Schedule F) |

C. The investment strategies used to implement any investment advice given to clients include: (check those that apply)

- | | |
|---|--|
| (1) <input checked="" type="checkbox"/> Long term purchases (securities held at least a year) | (5) <input checked="" type="checkbox"/> Margin transactions |
| (2) <input checked="" type="checkbox"/> Short term purchases (securities sold within a year) | (6) <input checked="" type="checkbox"/> Option writing, including covered options, uncovered options or spreading strategies |
| (3) <input checked="" type="checkbox"/> Trading (securities sold within 30 days) | (7) <input type="checkbox"/> Other (explain on Schedule F) |
| (4) <input checked="" type="checkbox"/> Short sales | |

Answer all items. Complete amended pages in full, circle amended items and file with execution page (page 1).

5. Education and Business Standards.

Are there any general standards of education or business experience that applicant requires of those involved in determining or giving investment advice to clients?

Yes ☐No ☒

(If yes, describe these standards on Schedule F.)

6. Education and Business Background

For:

- each member of the investment committee or group that determines general investment advice to be given to clients, or
- if the applicant has no investment committee or group, each individual who determines general investment advice given to clients (if more than five, respond only for their supervisors)
- each principal executive officer of applicant or each person with similar status or performing similar functions.

On Schedule F, give the

- | | |
|-----------------|--|
| • name | • formal education after high school |
| • year of birth | • business background for the preceding five years |

7. Other Business Activities. (check those that apply)

- ☐ A. Applicant is actively engaged in a business other than giving investment advice
- ☐ B. Applicant sells products or services other than investment advice to clients
- ☐ C. The principal business of applicant or its principal executive officers involves something other than providing investment advice.

(For each checked box describe the other activities, including the time spent on them, on Schedule F.)

8. Other Financial Industry Activities or Affiliations. (check those that apply)

- ☐ A. Applicant is registered (or has an application pending) as a securities broker-dealer.
- ☐ B. Applicant is registered (or has an application pending) as a futures commission merchant, commodity pool operator or commodity trading adviser.
- C. Applicant has arrangements that are material to its advisory business or its clients with a related person who is a:
- | | |
|--|--|
| <input type="checkbox"/> (1) broker-dealer | <input type="checkbox"/> (7) accounting firm |
| <input type="checkbox"/> (2) investment company | <input type="checkbox"/> (8) law firm |
| <input checked="" type="checkbox"/> (3) other investment adviser | <input type="checkbox"/> (9) insurance company or agency |
| <input type="checkbox"/> (4) financial planning firm | <input type="checkbox"/> (10) pension consultant |
| <input type="checkbox"/> (5) commodity pool operator, commodity trading advisor or futures commission merchant | <input type="checkbox"/> (11) real estate broker or dealer |
| <input type="checkbox"/> (6) banking or thrift institution | <input type="checkbox"/> (12) entity that creates or packages limited partnerships |

(For each checked in box in C, on Schedule F identify the related person and describe the relationship and the arrangements.)

- D. Is applicant or a related person a general partner in any partnership in which clients are solicited to invest? Yes ☐ No ☒

(If yes describe on Schedule F the partnerships and what they invest in.)

Answer all items. Complete amended pages in full, circle amended items and file with execution page (page 1).

9. **Participation or Interest in Client Transactions.**

Applicant or a related person: (check those that apply)

- ☐ A. As principal, buys securities for itself from or sells securities it owns to any client.
- ☐ B. As broker or agent effects securities transactions for compensation for any client.
- ☐ C. As broker or agent for any person other than a client effects transactions in which client securities are sold to or bought from a brokerage customer.
- ☒ D. Recommends to clients that they buy or sell securities or investment products in which the applicant or a related person has some financial interest.
- ☒ E. Buys or sells for itself securities that it also recommends to clients.

(For each box checked, describe on Schedule F when the applicant or a related person engages in these transactions and what restrictions, internal procedures, or disclosures are used for conflicts of interest in those transactions.)

10. **Conditions for Managing Accounts.** Does the applicant provide investment supervisory services, manage investment advisory accounts or hold itself out as providing financial planning or some similarly termed services *and* impose a minimum dollar value of assets or other conditions for starting or maintaining an account?

Yes ☒ No ☐

(If yes, describe on Schedule F)

11. **Review of Accounts.** If applicant provides investment supervisory services, manages investment advisory accounts, or holds itself out as providing financial planning or some similarly termed services:

- A. Describe below the reviews and reviewers of the accounts. **For reviews**, include their frequency, different levels, and triggering factors. **For reviewers**, include the number of reviewers, their titles and functions, instructions they receive from applicant on performing reviews, and number of accounts assigned each

While the underlying securities within the Investment Supervisory Service Accounts are continuously monitored, these accounts are reviewed at least quarterly Jeffrey Prisco. An annual review is usually conducted in person or by telephone. The purpose of all these reviews is to ensure that the Investment Plan continues to be implemented in a manner which matches the client's objectives and risk tolerances. More frequent reviews may be triggered by material changes in variables such as the client's individual circumstances, or the market, or political or economic environment.

Financial Planning/Consulting Clients accounts will be reviews as contracted for at the inception of the of the advisory relationship.

- B. Describe below the nature and frequency of regular reports to clients on their accounts

In addition to the monthly statements and confirmation of transactions that Investment Supervisory Service clients receive from their broker dealer, TMFS-Raleigh will provide detailed quarterly account monitors.

Financial Planning/Consulting clients will receive no regular reports from TMFS-Raleigh.

12. Investment or Brokerage Discretion.

A. Does applicant or any related person have authority to determine, without obtaining specific client consent, the:

- | | | |
|--|-------------------------------------|-------------------------------------|
| | Yes | No |
| (1) securities to be bought or sold? | <input checked="" type="checkbox"/> | <input type="checkbox"/> |
| | Yes | No |
| (2) amount of the securities to be bought or sold? | <input checked="" type="checkbox"/> | <input type="checkbox"/> |
| | Yes | No |
| (3) broker or dealer to be used? | <input checked="" type="checkbox"/> | <input type="checkbox"/> |
| | Yes | No |
| (4) commission rates paid? | <input type="checkbox"/> | <input checked="" type="checkbox"/> |

B. Does applicant or a related person suggest brokers to clients?

Yes No
☒ ☐

For each yes answer to A describe on Schedule F any limitations on the authority. For each yes to A(3), A(4) or B, describe on Schedule F the factors considered in selecting brokers and determining the reasonableness of their commissions. If the value of products, research and services given to the applicant or a related person is a factor, describe:

- the products, research and services
- whether clients may pay commissions higher than those obtainable from other brokers in return for those products and services
- whether research is used to service all of applicant's accounts or just those accounts paying for it; and
- any procedures the applicant used during the last fiscal year to direct client transactions to a particular broker in return for product and research services received.

13. Additional Compensation

Does the applicant or a related person have any arrangements, oral or in writing, where it:

- | | | |
|---|--------------------------|-------------------------------------|
| A. is paid cash by or receives some economic benefit (including commissions, equipment or non-research services) from a non-client in connection with giving advice to clients? | Yes | No |
| | <input type="checkbox"/> | <input checked="" type="checkbox"/> |
| | Yes | No |
| B. directly or indirectly compensates any person for client referrals? | <input type="checkbox"/> | <input checked="" type="checkbox"/> |

(For each yes, describe the arrangements on Schedule F.)

14. Balance Sheet. Applicant must provide a balance sheet for the most recent fiscal year on Schedule G if applicant:

- has custody of client funds or securities; or
 - requires prepayment of more than \$500 in fees per client and 6 or more months in advance
- | | | |
|--|--------------------------|-------------------------------------|
| Has applicant provided a Schedule G balance sheet? | Yes | No |
| | <input type="checkbox"/> | <input checked="" type="checkbox"/> |

Answer all items. Complete amended pages in full, circle amended items and file with execution page (page 1).

ACN/Form ADV © 1996-1999: Advisor Consultant Network, Inc.

Item 1 D.

SERVICES:

INVESTMENT SUPERVISORY SERVICES:

TMFS-Raleigh, LLC (hereinafter "TMFS-Raleigh") provides investment supervisory services, defined as giving continuous advice to a client or making investments for a client based on the client's individual needs. TMFS-Raleigh provides this service to individuals, pension and profit sharing plans, trust, estates and charitable organizations, and corporations. TMFS-Raleigh will manage advisory accounts on a discretionary basis only. Account supervision is guided by the stated objectives of the client (i.e. maximum capital appreciation, growth,

Item 1 D. (continued)	<p>income, or growth and income).</p> <p>TMFS-Raleigh, LLC will create a portfolio of both no-load and load-waived mutual funds. We will allocate the client's assets among various funds available through our broker, Charles Schwab, taking into consideration the overall management style selected by the client. Although we do not recommend them, other funds may be available which are not already offered by Charles Schwab's platform. The individual funds will be selected using many criteria among which are:</p> <ul style="list-style-type: none"> -the fund's performance history; -the industry sector in which the fund invests; -the track record of the fund's manager' -the fund's investment objective; -the fund's management style and philosophy; and -the fund's management fee structure. <p>Portfolio weighting between funds and market sectors will be determined by each client's individual needs and circumstances. Clients will have the opportunity to place reasonable restrictions on the types of investments, which will be made on the client's behalf. Clients will retain individual ownership of all securities.</p> <p>TMFS-Raleigh LLC performs an annual review of the brokerage platform to be used for client accounts, and recommends the broker/custodian offering the platform believed to provide an advantageous mix of product, service and execution on behalf of the client. Clients should note that other brokers/custodians could offer other funds, pricing, services or capabilities.</p> <p>When appropriate to the needs of the client, TMFS-Raleigh may recommend the use of short sales, margin transactions, or options writing. Because these investment strategies involve greater degrees of risk, they will be recommended only when consistent with the client's stated tolerance for risk.</p> <p>FINANCIAL PLANNING:</p> <p>TMFS-Raleigh also provides advice in the form of a Financial Plan. Clients purchasing this service will receive a written financial plan, providing the client with a detailed financial plan designed to achieve her or his stated financial goals and objectives. In general, the financial plan will address any or all of the following areas of concern:</p> <ul style="list-style-type: none"> -PERSONAL: Family records, budgeting, personal liability, estate information and financial goals. -TAX & CASH FLOW: Income tax and spending analysis and planning for past, current, and future years. We will illustrate the impact of various investments on your current income tax and future tax liability. -DEATH & DISABILITY: Cash needs at death, income needs of surviving dependents, estate planning and disability income analysis. -RETIREMENT: Analysis of current strategies and investment plans to help the client achieve her or his retirement goals. -INVESTMENTS: Analysis of investment alternatives and their effect on a client's portfolio. <p>TMFS-Raleigh gathers required information through in-depth personal interviews. Information gathered includes a client's current financial status, future goals, and attitudes toward risk. Related documents supplied by the client are carefully reviewed, including a questionnaire completed by the client, and a written report is prepared.</p> <p>Should a client choose to implement the recommendations contained in the plan, TMFS-Raleigh suggests the client work closely with her or his attorney, accountant, insurance agent, and/or stockbroker. Implementation of financial plan recommendations is entirely at the client's discretion.</p> <p>If a mutual fund is redeemed within 90 days of purchase, Charles Schwab & Co. will impose</p>
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a short-term redemption fee of \$74.95 or 8% of the amount liquidated, whichever is less. TMFS-Raleigh receives no portion of the short-term redemption fee. This fee was scheduled to take effect April 1.

In addition to the short-term redemption fees, many mutual funds charge a contingent redemption fee if shares are redeemed within a certain period of time, usually between 90 - 180 days, but some contingent redemption periods may be longer. The contingent redemption charge is usually 1%-2% of the sale amount. TMFS-Raleigh receives no portion of the contingent redemption fee. These fees are imposed to minimize market timing and excessive trading that impairs the value of longer-term mutual fund shareholders. Please see the individual mutual fund prospectus for full details.

CONSULTING:

Clients can also receive investment advice on a more limited basis. This may include advice on one or more isolated area or areas of concern such as estate planning, retirement planning, or any other specific topic. TMFS-Raleigh also provides specific consultation and administrative services regarding investment and financial concerns of the client. Additionally, TMFS-Raleigh provides advice on non-securities matters. Generally, this is in connection with the rendering of estate planning, insurance, and/or annuity advice.

FEE SCHEDULE

INVESTMENT SUPERVISORY SERVICES:

The annual fee charged for investment supervisory services is based on a percentage of the client's assets under management. A minimum of \$50,000 (fifty thousand dollars) in assets under management is required for this service. TMFS-Raleigh will quote an exact percentage to each client, based on both the nature and total dollar value of that account.

Clients will be invoiced in arrears at marginal billing rate at the end of each three-month period, based upon the period's month-end value (market value or fair market value in the absence of market value, plus any credit balance or minus any debit balance) of the client's account during the previous quarter.

Quarterly fees for this service are marginal and as follows:

<u>Assets under management</u>	<u>Quarterly fee charged</u>
\$ 50,000 - \$250,000	.3750%
\$250,001 - \$500,000	.3250%
\$500,001 - \$750,000	.2750%
\$750,001 - \$1,000,000	.2500%
\$1 million and above	.2250%

When a client makes a contribution or withdrawal of at least \$50,000 during the quarter, TMFS-Raleigh prorates the client's quarterly advisory fee. However, no proration occurs for smaller contributions or withdrawals that a client makes prior to the end of the quarter;

FINANCIAL PLANNING:

A flat fee will be calculated based upon the extent and complexity of the individual client's personal circumstances, the client's gross income and amount of assets under management. Fees for financial planning services will typically range from \$500.00 to \$2,000.00, with a minimum fee of \$500.00. All fees are agreed upon prior to entering into a contract with any client.

Financial planning fees shall be due as follows:

One-half of the total fee will be due and payable at the time the client enters into the financial planning agreement, with the balance due and payable at the time the financial plan is delivered to the client. Typically the financial plan will be

Item 1 D. (continued)

Item 1 D. (continued)

presented to the client within 90 days of the contract date, provided that all information needed to prepare the financial plan has been provided by the client. If the client terminates the contract prior to completion of the financial plan, any prepaid, unearned fees will be refunded promptly, and any earned, unpaid fees will be due and payable.

CONSULTING:

Fees for specific administrative and consulting services will be billed at an hourly rate of \$150.00 per hour, upon mutual agreement with the client, and shall be due and payable as earned.

FEE OFFSET:

If a Financial Planning or Consulting client opts to contract with TMFS-Raleigh for Portfolio Management Services, TMFS-Raleigh may offer to offset the Financial Planning or Consulting fee, up to the value of \$500, against the initial fee for Portfolio Management services.

GENERAL INFORMATION ON FEES:

In certain circumstances all fees and account minimums may be negotiable. The fee charged is calculated as described above and is not charged on the basis of a share of capital gains upon or capital appreciation of the funds or any portion of the funds of an advisory client (SEC Rule 205 (a)(1)).

TERMINATION:

A client agreement may be canceled at any time, by either party, for any reason, upon receipt of written notice. Upon termination of any account, any prepaid, unearned fees will be refunded promptly, and any earned, unpaid fees will be due and payable. The client has the right to terminate an agreement without penalty within five business days after entering into the agreement.

All fees paid to TMFS-Raleigh for investment advisory services are separate and distinct from the fees and expenses charged by mutual funds to their shareholders. These fees and expenses are described in each fund's prospectus. These fees will generally include a management fee, other fund expenses, and a possible distribution fee. If the fund also imposes sales charges, a client may pay an initial or a deferred sales charge. A client could invest in a mutual fund directly, without the services of TMFS-Raleigh. In that case, the client would not receive the services provided by TMFS-Raleigh designed, among other considerations, to assist the client in determining which mutual fund or funds are most appropriate to each client's financial condition and objectives. Accordingly, the client should review both the fees charged by the funds and the fees charged by TMFS-Raleigh to understand fully the total amount of fees to be paid by the client, and to evaluate thereby the advisory services being paid for.

Item 4. B. (8)

MAIN SOURCES OF INFORMATION

In addition to those sources noted in Part II of the ADV, TMFS-Raleigh will utilize commercially available software and/or databases to obtain additional information on companies and mutual funds that may be recommended to clients.

Item 6

EDUCATION AND BUSINESS BACKGROUND

Jeffrey M. Prisco, born June 10, 1958

Education:
Boston University, B.A., 1982

Employment:
TMFS-Raleigh, LLC-Senior Investment Advisor, 11/2007 to Present
Hodge and Kittrell, Broker, 11/2005 to 11/2007
Fonville Morrissey, Broker 9/2004 to 11/2005

Josh D. Hederick, born December 16, 1973

Education:
James Madison University, B.B.A Finance, 1996

Employment:
TMFS-Knoxville, LLC, Senior Investment Advisor, 5/2006 to Present
John Patterson Agency, Financial Services Rep., 4/2003-5/2006
McGeorge Car Company, Sales, 11/2002-3/2003
Merrill Lynch, Financial Consultant, 4/1998-10/2002
Euroclassics, Sales, 1/1998-3/1998

Joel G. Horning, born February 17, 1974

Education:
Virginia Polytechnic Institute and State University, B.S. Mech. Engineering, 1996
College of William and Mary, M.B.A, 2000

Employment:
Capital One, Project Manager, 10/2000 to Present
Advanced Technologies, Engineer, 2/1998 to 9/2000
Howmet Corporation, Engineer, 8/1996 to 2/1998

8. C. (1) (3)

The custodian for all TMFS-Raleigh, LLC, client assets is Charles Schwab & Company, an unrelated broker dealer.

Josh Hederick is a Managing Member of TMFS-Charleston, LLC and TMFS-Raleigh, LLC, both Registered Investment Advisors. Josh Hederick is also the Senior Investment Advisor for TMFS-Knoxville, LLC.

Joel Horning is a Managing Member of TMFS-Charleston, LLC and TMFS-Raleigh, LLC, both Registered Investment Advisors.

TMFS-Raleigh pays an aggregate fee of up to 30% of its client revenue for the non-advisory administrative and other services that TMFS-Raleigh receives from TMFS, LLC and the non-discretionary investment advisory services that TMFS-Raleigh receives from The Mutual Fund Research Center, LLC;

OTHER FINANCIAL INDUSTRY ACTIVITIES OR AFFILIATIONS:

TMFS-Raleigh is an independently owned and operated franchisee of TMFS, LLC, which has granted franchise rights to independently owned and operated Mutual Fund Store franchises in cities across the United States ("Franchisees"). TMFS, LLC also has affiliated store locations ("Affiliates"). Franchisees and Affiliates, including TMFS-Raleigh, receive non-discretionary investment advice from The Mutual Fund Research Center, LLC (the "Research Center"), which is a wholly owned subsidiary of TMFS, LLC. The Research Center provides Franchisees and Affiliates with non-discretionary investment advisory services, principally investment recommendations formulated by the Research Center's Chief

Investment Officer, Adam Bold, in the form of the "Select List," an asset allocation model (Strategic Allocation Management System), and related services. All Franchisees and Affiliates receive the same investment recommendations from the Research Center, and each Franchisee and Affiliate, including TMFS-Raleigh independently implements these investment recommendations on a discretionary basis for each of its clients, taking into account each client's circumstances and investment objectives.

In connection with TMFS, LLC's provision of accounting and reporting services to TMFS-Raleigh client accounts under the franchise arrangement, clients are required to give TMFS, LLC a limited power of attorney ("LPOA") to provide accounting and reporting services to clients through access to Charles Schwab client account information. TMFS, LLC will not use such LPOA to effect any trades but solely for administrative services. This LPOA is in addition to the LPOA that TMFS-Raleigh requires its clients to sign giving TMFS-Raleigh] discretionary authority over the clients' accounts.

Item 9.D E.

PARTICIPATION OR INTEREST IN CLIENT TRANSACTIONS

It is the expressed policy of TMFS-Raleigh that no person employed by TMFS-Raleigh may purchase or sell any security prior to a transaction being implemented for an advisory account in the same security to prevent any employee from benefiting from transactions effected on behalf of advisory accounts.

TMFS-Raleigh or individuals associated with TMFS-Raleigh may buy or sell for their own accounts securities that are identical or similar to those they recommend to clients. Related persons may also have an existing interest or position in a security that is recommended to a client.

As these situations represent the potential for a conflict of interests, TMFS-Raleigh has established the following restrictions in order to ensure compliance with its fiduciary responsibilities:

- 1) A director, officer, or employee of TMFS-Raleigh shall not buy or sell securities for their personal portfolio(s) where their decision is substantially derived, in whole or in part, by reason of his or her employment, unless the information also is available to the investing public on reasonable inquiry. No person of TMFS-Raleigh shall prefer his or her own interest to that of the advisory client.
- 2) TMFS-Raleigh maintains a list of all securities holdings for itself and anyone associated with this advisory practice and having access to advisory recommendations. These holdings are reviewed on a regular basis by the appropriate officer.
- 3) TMFS-Raleigh emphasizes the unrestricted right of the client to decline to implement any advice rendered, except in situations where TMFS-Raleigh granted discretionary authority over the client's account.
- 4) TMFS-Raleigh requires that all its associated individuals act in accordance with all applicable Federal and State regulations governing registered investment advisory practices.
- 5) Any associated individual not in observance of the above may be subject to termination.
- 6) All advisors, including TMFS-Raleigh LLC registered under or required to be

registered under, section 203 of the IA Act of 1940, must establish, maintain and enforce a written Code of Ethics. Clients may obtain TMFS-Raleigh LLC Code of Ethics, by providing a written request to TMFS-Raleigh LLC at the usual and customary address.

Item 10

CONDITIONS FOR MANAGING AN ACCOUNT

TMFS-Raleigh requires a minimum account of \$50,000 (fifty thousand dollars) for Investment Supervisory Services clients, and a minimum fee of \$500 for Financial Planning clients. However, under certain unusual circumstances, these minimums may be negotiable.

Item 12. A. (1) & (2)

INVESTMENT OR BROKERAGE DISCRETION

Upon receiving written authorization from the client, associated persons of TMFS-Raleigh may manage accounts on a discretionary basis. When they do so, they limit their discretionary authority by prohibiting themselves from withdrawing funds and/ or securities from client accounts.

Item 12. B.

SELECTION OF BROKER-DEALER

INVESTMENT SUPERVISORY SERVICES:

Clients are not obligated in any manner to contract with TMFS-Raleigh for its investment advisory services.

Therefore, for commissionable trades, TMFS-Raleigh requires that the client direct The Mutual Fund Store, Inc. or TMFS-Raleigh to place such trades through Charles Schwab & Company, Inc. (through its Schwab Institutional services program).

While TMFS-Raleigh has a reasonable belief that Charles Schwab is able to obtain best execution and competitive prices, TMFS-Raleigh will not be independently seeking best execution price capability through other broker dealers. As indicated above, TMFS-Raleigh participates in the Schwab Institutional (SI) services program offered to independent investment advisers by Charles Schwab & company, Inc., an NASD registered broker dealer. As part of the SI program, TMFS-Raleigh receives benefits that it would not receive if it did not offer investment advice. (See the disclosure under Item 13 A of this Schedule F narrative, below). TMFS-Raleigh does not receive any commission payments from Charles Schwab & Company.

Item 13. A.

ADDITIONAL COMPENSATION

While these individuals endeavor at all times to put the interest of the clients first as part of TMFS-Raleigh fiduciary duty, clients should be aware that the receipt of compensation itself creates a potential for a conflict of interests and may affect the judgment of these individuals when making recommendations.

Advisory representatives will not receive 12b-1 fees from mutual fund expenses. 12b-1 fees will be paid to Charles Schwab & Company.

TMFS-Raleigh participates in Charles Schwab & Company's Schwab Institutional (SI) service program. While there is no direct linkage between the investment advice given and participation in the SI program, economic benefits are received which would not be received if TMFS-Raleigh did not give investment advice to clients. These benefits include receipt of duplicate confirmations and bundled duplicate statements, access to a trading desk serving SI participants exclusively, access to block trading which provides the ability to aggregate securities transactions and then allocate the appropriate shares to client accounts, ability to have investment advisory fees deducted directly from client accounts, access – for a fee – to an electronic communication network for client order entry and account information, receipt of compliance publications, and access to mutual funds which generally require significantly higher minimum initial investments or are generally available only to institutional investors.

The benefits received through participation in the SI program may or may not depend upon the amount of transactions directed to, or amount of assets custodied by, Charles Schwab & Co., Inc.

Proxy Voting Policies

The Mutual Fund Store (TMFS) votes proxies for mutual funds appearing on our Select List of mutual funds.

Clients may obtain information on how TMFS voted securities for funds from our Select List, when held in the client's portfolio, by providing a written request to TMFS stating the mutual fund name and the date of the proxy.

PRIVACY POLICY STATEMENT:

How We Use And Protect Personal Information at THE MUTUAL FUND STORE

At The Mutual Fund Store, protecting your privacy is very important to us. We value your trust and we want you to understand what information we collect, how we protect it and how we use it. We treat personal information – nonpublic information that identifies you – with respect, and in accordance with this Privacy Policy.

The information we collect about you generally falls into one of the following categories:

- Information, such as your address, Social Security number and investment objectives, which you provide on account applications and other forms you submit to us.
- Transactional information about your accounts, such as your investment choices, account balances and transaction history.

We use the information we collect primarily to manage your investments. We may disclose all the personal information we collect, as described above, to companies such as The

	<p>Mutual Fund Store—Kansas City, its affiliates, and Charles Schwab and Company, Inc that provide services to you on our behalf, in the following types of situations:</p> <ul style="list-style-type: none">○ Providing administrative, customer assistance, clearing, operational, or other services;○ Preparing, printing and delivering portfolio management performance reports, confirmation statements and other documents;○ Executing securities transactions; or○ Maintaining or developing software for us. <p>The Mutual Fund Store does not disclose your personal information to companies or organizations not affiliated with us that would use the information we have provided them to contact you about their own products and services. Under no circumstances do we sell any of the personal information we collect.</p> <p>To further safeguard your personal information within The Mutual Fund Store, our policies only allow access to individuals who must have it to service your account. We maintain physical, electronic and procedural safeguards to protect this information. We treat information about our former investors with the same care we take with our current clients' information.</p> <p>The Mutual Fund Store believes that your privacy is important. We appreciate and take seriously the trust you place in us and in our ability to safeguard your personal information. We hope this description of our privacy practices is helpful and reassuring to you. For more information about our privacy policy, please contact The Mutual Fund Store Client Services.</p> <p>Code of Ethics</p> <p>TMFS-Raleigh LLC is required to establish, maintain and enforce a Code of Ethics. A copy of The Code of Ethics is available upon request.</p>
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