

Templeton & Phillips Capital Management, LLC

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FORM ADV PART 2A BROCHURE

This brochure provides information about the qualifications and business practices of Templeton & Phillips Capital Management, LLC. If you have any questions about the contents of this brochure, contact us at (423) 826-0945. The information in this brochure has not been approved or verified by the United States Securities and Exchange Commission or by any state securities authority.

Additional information about Templeton & Phillips Capital Management, LLC is available on the SEC's website at www.adviserinfo.sec.gov.

Templeton & Phillips Capital Management, LLC is a registered investment adviser. Registration with the United States Securities and Exchange Commission or any state securities authority does not imply a certain level of skill or training.

Item 2 Summary of Material Changes

Form ADV Part 2 requires registered investment advisers to amend their brochure when information becomes materially inaccurate. If material changes to this document are made, you will receive a summary of those changes and subsequent Brochures within 120 days of the close of our business' fiscal year. We may provide other ongoing disclosure information about material changes, as necessary. We will further provide you with a new Brochure, as needed at any time, based on changes or new information, without charge.

Since the filing of our last annual updating amendment, dated March 27, 2019 we have the following material changes to report:

- Lauren Templeton is now an Independent Director with Canadian Solar, Inc. Please refer to Item 10 *Other Financial Industry Activities and Affiliations* for additional information.

Currently, our Brochure may be requested by contacting Scott Phillips at scott@lftfunds.com or (423) 826-0944. Our Brochure is also available on our website <http://www.templetonandphillips.com>.

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Item 4 Advisory Business

Advisory Services

4.A. Advisory Firm Description

Templeton & Phillips Capital Management, LLC ("TPCM" or "Adviser") was formed in 2001 by Lauren Templeton. TPCM's specific focus is on the potential advantages of value investing. Lauren Templeton is the principal owner of the firm.

4.B. Types of Advisory Services

TPCM provides investment advisory and management services as a discretionary investment adviser to institutional and retail separate account clients. TPCM portfolio strategies may include investments in common stocks, preferred stocks, warrants, investment companies, and derivatives such as options. TPCM may also recommend other investment advisers to clients as part of their overall asset allocation. Our advice is generally limited to these types of investments.

4.C. Client Investment Objectives/Restrictions

Investments for separately managed client accounts are managed in accordance with each client's stated investment objectives, strategies, restrictions, and guidelines.

4.D. Wrap-Fee Programs

TPCM does not participate in, nor is it a sponsor of, any wrap fee programs.

4.E. Assets Under Management as of 12/31/2019:

Discretionary basis: \$122,515,251; 56 accounts

Non-Discretionary basis: \$12,237,231; 6 accounts

Item 5 Fees and Compensation

Advisory Contracts and Fees

5.A. Adviser Compensation

TPCM's fees are described generally below and detailed in each client's advisory agreement. Fees are normally based on the level of total assets under management, including cash and securities. TPCM may group multiple accounts of a client (or group of related clients) together for fee billing purposes.

Fees may change over time and, as discussed below, different fee schedules may apply to different types of clients or advisory arrangements. If circumstances warrant, fees may be negotiated on a basis different from TPCM's stated fee schedules, and TPCM reserves the right to waive or reduce the fees charged to a particular client in its sole and absolute discretion.

Fee Schedules

Separately Managed Accounts

Separately managed client accounts are charged a 1% annual advisory fee in arrears.

Selection of Outside Managers:

TP Advisory Services. The fee for accounts for which TPCM acts as a consultant in the selection of outside managers is .5% annually paid quarterly in arrears.

Other Advisory Fee Arrangements

TPCM may receive incentive compensation based on a percentage of profits from certain clients. TPCM reserves the right, in its sole discretion, to negotiate and to charge different advisory fees for certain accounts based on the client's particular needs as well as overall financial condition, goals, risk tolerance, and other factors unique to the client's particular circumstances.

5.B. Direct Billing of Advisory Fees

Clients may request that fees owed to TPCM be deducted directly from the client's custodial account. In instances where a client has authorized direct billing, TPCM takes steps to assure itself that the client's qualified custodian sends periodic account statements, no less frequently than quarterly, showing all transactions in the account, including fees paid to TPCM, directly to such clients. TPCM will also allow clients to pay management fees directly. In this arrangement, TPCM sends an invoice to the client and the client sends payment directly to TPCM.

5.C. Other Non-Advisory Fees

TPCM's advisory fee is exclusive of brokerage commissions, transaction fees, and other related costs and expenses which shall be incurred by the client. Clients may incur certain charges imposed by custodians, brokers, third party investment and other third parties such as fees charged by managers, custodial fees, deferred sales charges, odd-lot differentials, transfer taxes, wire transfer and electronic fund fees, and other fees and taxes on brokerage accounts and securities transactions. A client's portfolio may include positions in mutual funds or exchange traded funds which also charge internal management fees, which are disclosed in those funds' prospectuses. Such charges, fees, and commissions are exclusive of, and in addition to, TPCM's fee. TPCM does not receive any portion of these commissions, fees, and costs.

Item 12 further describes the factors that TPCM considers in selecting or recommending broker-dealers for client transactions and determining the reasonableness of their compensation (e.g., commissions).

5.D. Advance Payment of Fees

Advisory fees for separately managed account clients are billed quarterly in arrears. Advisory agreements are typically terminable by the client upon prior written notice to TPCM, as specified in the relevant agreement and by TPCM, generally upon 30 days' prior written notice to the client. In the event that an advisory contract is terminated prior to the conclusion of a billing period, TPCM will bill a pro rata portion of fees based on date of termination.

5.E. No Compensation for Sale of Securities or Other Investment Products

TPCM's supervised persons do not accept compensation for the sale of securities or other investment products, including asset-based sales charges or service fees from the sale of mutual funds.

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

TPCM may also, under appropriate circumstances, make special fee arrangements with clients, including the use of performance-based fees. Any performance-based fees charged by TPCM will be in compliance with Rule 205-3 under the Investment Advisers Act of 1940, as amended ("Advisers Act"), unless that rule is inapplicable by reason of Advisers Act Section 205(b) or interpretive positions of the staff of the U.S. Securities and Exchange Commission ("SEC").

TPCM manages accounts that are charged a performance fee along with accounts that are charged asset-based fees only. Performance-based fee arrangements may create an incentive for TPCM to recommend investments which may be riskier or more speculative than those which would be

recommended under a different fee arrangement. Such fee arrangements also create an incentive to favor higher fee paying accounts over other accounts in the allocation of investment opportunities. This creates a potential conflict of interest. TPCM has procedures designed and implemented to ensure that all clients are treated fairly and equally, and to prevent this conflict from influencing the allocation of investment opportunities among clients.

All accounts are managed within their respective strategies, given account restrictions and/or constraints. TPCM performs periodic reviews of the performance fee accounts to assure consistency with the separate fee accounts. TPCM also has trade rotation procedures in place to ensure that performance fee accounts do not take preference over separate accounts in the allocation of trades.

Item 7 Types of Clients

TPCM's clients are institutional and retail separate account clients and charitable organizations.

The minimum amount required to establish separately managed account with TPCM is \$1,000,000. TPCM reserves the right to reduce the minimum requirement for certain accounts under certain circumstances.

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

TPCM primarily invests in global equity securities across all capitalizations provided they meet minimum levels of trading volume and liquidity. The investment objective of the Global Equity, International Equity, Concentrated Equity, and TP Advisory Services strategies is to generate returns over the long-run that exceed its benchmarks. The benchmark for the Global Equity is primarily the MSCI All Country Total Return Index, and the benchmark for International Equity Strategy is the MSCI All Country Total Return Index excluding the US. The benchmark for the TP Advisory Services strategy include the MSCI All Country Total Return Index and the MSCI All Country Total Return Index excluding the US. The volatility of these indices could be materially different than that of the portfolio.

Global Equity Strategy

TPCM takes a long-term approach to investing. TPCM believes that compound interest is the strongest benefit to investing in the stock market and TPCM seeks to capture this affect by purchasing securities trading at significant discounts to their intrinsic value. TPCM selects securities for their long-holdings based on what they view as a 50% discount in the stock's price to its estimated intrinsic value.

In order to locate these securities in the market place TPCM follows a rigorous and disciplined methodology for security selection. The process begins by employing quantitative rankings based on valuation and fundamental factors that attempt to identify stocks that appear to be mispriced relative to their long-term fundamental performance. The most attractive candidates from this quantitative process are then studied and valued through long-term financial models that estimate discounted cash flows, as well as long-term price to earnings ratios and payback periods. Those stocks that appear to be trading at a 50% discount to TPCM's estimate of intrinsic value are then subject to fundamental analysis in order to determine the likely cause of the near-term mispricing. In those instances where TPCM believes the cause of the stock's mispricing is temporary under a five to ten year view, then the stock may become a candidate for purchase in the portfolios. TPCM takes into consideration the allocation of risk within the existing portfolios to determine whether a purchase should be made in the near-term or whether the investment should be shelved for purchase at a later time. TPCM often accumulates ideas that they withhold purchasing until market volatility prompts an even lower market price than the existing during the time of the analysis. By employing this approach TPCM's goal is to be prepared to make purchases in the midst of sudden corrections or panics in the stock market, which tend to appear with little notice or visibility.

The International Equity Strategy

The International Equity Strategy utilizes proprietary research on international equities that are often deemed to be neglected and possessing positive long-term growth and quality in governance that may be under-appreciated in the broader market. TPCM utilizes firm research to create portfolios of what it believes to be relatively high quality equities with reasonable growth prospects, but trading at significant discounts to their estimated intrinsic value, due to neglect in the market for equities. Otherwise, the International Equity portfolios carry the same overall characteristics of the firm's other investments relating to holding periods, valuation, and liquidity.

TP Advisory Services

TPCM acts as a consultant through the selection of outside money managers. The firm utilizes its expertise as asset managers to consult on the selection of traditional mutual funds, separate account strategies and private funds.

8.B. Material Risks of Investment Strategies

There can be no guarantee of success of the strategies offered by TPCM. Investment portfolios may be adversely affected by general economic and market conditions such as interest rates, availability of credit, inflation rates, changes in laws and political circumstances. These factors may affect the level and volatility of security pricing and the liquidity of an investment. These strategies do not employ limitations on particular sectors, industries or securities. Trading in the portfolios may affect investment performance, particularly through increased brokerage and other transaction costs and taxes.

Management Risk. Judgments about the value and potential appreciation of a particular security may be wrong and there is no guarantee that individual securities will perform as anticipated. The value of an individual security can be more volatile than the market as a whole or our intrinsic value approach may fail to produce the intended results.

Accuracy of Public Information. TPCM selects investments, in part, on the basis of information and data filed by issuers with various government regulators or made directly available to the adviser by the issuers or through sources other than the issuers. Although TPCM evaluates all such information and data and ordinarily seeks independent corroboration when TPCM considers it is appropriate and reasonably available, the adviser is not in a position to confirm the completeness, genuineness or accuracy of such information and data, and in some cases, complete and accurate information is not available.

Market Risk. There is the possibility that the value of equity securities may decline due to daily fluctuations in the securities markets. Stock prices change daily as a result of many factors, including developments affecting the condition of both individual companies and the market in general. The price of a stock may even be affected by factors unrelated to the value or condition of its issuer, such as changes in interest rates, national and international economic and/or political conditions and general equity market conditions. In a declining stock market, prices for all companies may decline regardless of their long-term prospects.

8.C. Material Risks of Securities Used in Investment Strategies

TPCM's investment strategies utilize both long-term and short-term purchases in domestic and foreign equities, warrants, corporate debt, commercial paper, municipal securities and U.S. government securities.

TPCM may lend, pledge, trade and invest, on margin or otherwise, in securities and other financial instruments of United States and foreign entities, including, without limitation: capital stock; shares of beneficial interest; partnership and limited liability company interests and similar financial instruments;

bonds, notes and debentures (whether subordinated, convertible or otherwise); commodities; currencies; interest rate, currency, commodity, equity and other derivative products. Investments in these types of securities may be more volatile than their respective benchmark. Investments in foreign securities may be volatile and can decline significantly in response to foreign issuer political, regulatory, market or economic developments. Foreign securities are also subject to interest rate and currency exchange rate risks. These risks may be magnified in securities originating in emerging markets. Foreign securities may also be subject to additional or complex tax issues. Security values may fluctuate based on events such as technological developments, government regulation, competition and outbreaks of war or terrorist acts which are beyond TPCM's control.

Equity Risk. Regardless of any one company's particular prospects, a declining stock market may produce a decline in prices for all equity securities, which could also result in losses.

Mutual Funds. An investment in a mutual fund involves risk, including the loss of principal. Mutual fund shareholders are subject to the risks stemming from the individual issues of the fund's underlying portfolio securities. Such shareholders are also liable for taxes on any fund-level capital gains, as mutual funds 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 price 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.

Non-diversified Risk. Because the portfolios may invest a greater portion of its assets in securities of a single issuer or a limited number of issuers than a portfolio with diversification limitations, it may be more susceptible to a single adverse economic or political occurrence affecting one or more of these issuers.

Sector Focus Risk. The portfolios may be more heavily invested in certain sectors, which may cause the value of its shares to be especially sensitive to factors and economic risks that specifically affect those sectors and may cause the value of the portfolio to fluctuate more widely than a comparative benchmark.

Competition. Equity securities selected by TPCM for their portfolios typically have significant market competitors and there is no guarantee that a portfolio security will perform better than its competitors and could be subject to risks competing with other companies with regard to product lines, technology advancements and/or management styles of the competing companies.

Foreign Securities Risk - Securities of foreign issuers, including depository receipts, are subject to special risks associated with foreign investments not typically associated with investing in U.S. markets including:

- Political and Economic Risk - Investing in foreign securities is subject to the risk of political, social or economic instability in the country of the issuer of a security, variation in international trade patterns, the possibility of the imposition of exchange controls, expropriation, confiscatory taxation, limits on movement of currency or other assets and nationalization of assets.
- Currency Risk - TPCM may invest a portion of its assets in equity securities and other investments denominated in currencies other than the U.S. dollar and in other financial instruments, the prices of which are determined with reference to currencies other than the U.S.

dollar. TPCM, however, will value securities and other assets in U.S. dollars. To the extent unhedged, the value of a portfolio's assets will fluctuate with U.S. dollar exchange rates as well as with price changes of the portfolio's investments in the various local markets and currencies. Thus, an increase in the value of the U.S. dollar in comparison to the other currencies in which the portfolio may make its investments will reduce the effect of increases and magnify the effect of decreases in the prices of the portfolios securities and other investments in their local markets. Conversely, a decrease in the value of the U.S. dollar will have the opposite effect of magnifying the effect of increases and reducing the effect of decreases in the prices of the portfolio's non-U.S. dollar securities or other investments. The portfolios may use futures, forward currency contracts and options to hedge against currency fluctuations in its non-U.S. dollar denominated portfolio, but there can be no assurance that any such hedging transactions will be effective.

- Information Risk - Non-U.S. companies in certain countries may not be subject to uniform accounting, auditing and financial reporting standards or to other regulatory requirements that are similar to those applicable to U.S. companies.
- Foreign Tax Risk - Income from foreign issuers may be subject to non-U.S. withholding taxes. Portfolios also may be subject to taxes on trading profits and, on certain securities transactions, transfer or stamp duties tax.
- Investment Restriction Risk - Some countries restrict foreign investment in their securities markets. These restrictions may limit or preclude investment in certain countries or may increase the cost of investing in securities of particular companies.
- Foreign Securities Market Risk - Securities of many non-U.S. companies may be less liquid and their prices more volatile than securities of comparable U.S. companies and therefore may involve greater risks.

Investment in these types of securities involves risk and the loss of capital. These strategies may not be suitable for all investors. Past performance is not indicative of future results. Investing in securities involves risk of loss that clients should be prepared to bear.

Item 9 Disciplinary Information

Registered investment advisers are required to disclose all material facts regarding any legal or disciplinary events that would be material to your evaluation of them or the integrity of their management. TPCM has no disclosure applicable to this Item.

Item 10 Other Financial Industry Activities and Affiliations

10.A. No Registered Representatives

TPCM's management persons are not registered, nor do any management persons have an application pending to register, as a broker-dealer or a registered representative of a broker-dealer.

10.B. No Other Registrations

TPCM's management persons are not registered, nor do any management persons have an application pending to register, as a futures commission merchant, commodity pool operator, a commodity trading adviser, or an associated person of the foregoing entities.

10.C. Material Relationships or Arrangements

Oxford Metrica Investment Counsel Limited. TPCM has periodically engaged Oxford Metrica Investment Counsel Limited ("Oxford") to provide research that will assist TPCM in their management of equity strategies. Oxford was organized in 2000 by Dr. Rory Knight and is independently owned. Dr. Knight provides advice and research services to numerous corporations and foundations

internationally. He has published extensively in finance and business policy. In addition to holding a Ph.D in Finance and a Masters from Oxford, Dr. Knight is a qualified Chartered Accountant. Dr. Knight is also currently a member of the Board of Trustees at the John Templeton Foundation.

Additional Outside Business Activities. Lauren Templeton, the Managing Member of TPCM, serves on the Board of Directors (the "Board") of Fairfax Financial Holdings, Limited and Fairfax India Holdings Corporation (collectively, "Fairfax"), and serves as an independent director for Fairfax and Canadian Solar, Inc. ("Canadian Solar"), publicly traded companies in which client accounts may invest. These positions create a conflict of interest as the Managing Member may receive material, nonpublic information regarding Fairfax or Canadian Solar or companies in which Fairfax or Canadian Solar invests. Upon obtaining material, nonpublic information, TPCM must abstain from trading Fairfax or Canadian Solar holdings for client accounts over which it has discretion. In order to manage this conflict, TPCM has implemented the following policies and procedures: (1) TPCM may institute automatic investment and withdrawal programs for client accounts with respect to Fairfax or Canadian Solar securities similar to automatic investment arrangements commonly utilized for directors of public companies; (2) TPCM will avoid direct trading of Fairfax or Canadian Solar securities for client accounts during blackout periods set by Fairfax or Canadian Solar for each of their directors; (3) TPCM will conduct periodic testing and monitoring to ensure that client accounts are managed in compliance with the foregoing.

10.D. Recommendation of Other Investment Advisers

TPCM may recommend other investment advisers for clients, but it does not receive any compensation related to its recommendation of other investment advisers other than any applicable management fee.

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

TPCM has adopted a Code of Ethics pursuant to Advisers Act Rule 204A-1. A basic tenet of TPCM's Code of Ethics is that the interests of clients are always placed first. The Code of Ethics includes standards of business conduct requiring covered persons to comply with the federal securities laws and the fiduciary duties an investment adviser owes to its clients. The Code also requires that all covered persons comply with ethical restraints relating to clients and their accounts, including restrictions on gifts and provisions intended to prevent violations of laws prohibiting insider trading. You may obtain a copy of our Code of Ethics by contacting the firm at (423) 826-0944.

11.B. Recommendations of Securities and Material Financial Interests

As a matter of policy, TPCM does not engage in principal transactions, cross trading or agency cross transactions. Any exceptions to this policy must be approved in advance by the Chief Compliance Officer or by his or her designee. 11.C. Personal Trading. TPCM has adopted a Code of Ethics to ensure that personal investing activities by TPCM's employees are consistent with TPCM's fiduciary duty to its clients. The Code of Ethics includes standards of business conduct requiring covered persons to comply with the federal securities laws and the fiduciary duties an investment adviser owes to its clients. For purposes of its Code of Ethics, TPCM has determined that all employees are Access Persons.

In order to avoid potential conflicts of interest that could be created by personal trading among TPCM access persons, the Code of Ethics restricts the purchase and sale by access persons for their own accounts of any covered security within a specified time before the execution of a transaction in any such security for clients. All access persons are required to notify TPCM's Chief Compliance Officer or his designee in order to pre-clear personal securities transactions in specified securities, including IPOs and limited offerings.

All employees are required to submit quarterly personal securities transactions and annual holdings reports for review by the Chief Compliance Officer, who will, in turn, review these reports for trading conflicts with client accounts. Employees are also required to have copies of all brokerage statements sent to the Chief Compliance Officer, directly from the custodian(s), on, at least, a quarterly basis. The Chief Compliance Officer will maintain documentation of personal securities transactions, including any violations that occur and their resulting actions.

The Code also requires that all covered persons comply with ethical restraints relating to clients and their accounts, including restrictions on gifts and provisions intended to prevent violations of laws prohibiting insider trading.

11.D. Timing of Personal Trading

Since TPCM access persons may invest in the same securities (or related securities, e.g., warrants, options or futures) that TPCM or a related person recommends to clients, no access persons shall buy or sell a Reportable Security before any trades in the security are made for Client accounts. The price paid or received by a Client account for any security should not be affected by a buying or selling interest on the part of an Access Person, or otherwise result in an inappropriate advantage to the Access Person.

Item 12 Brokerage Practices

12.A. Selection of Broker/Dealers TPCM's objective in selecting brokers and dealers and in effecting portfolio transactions is to seek to obtain the best combination of price and execution with respect to its accounts' portfolio transactions. The best net price, giving effect to brokerage commissions, spreads and other costs, is normally an important factor in this decision, but a number of other judgmental factors are considered as they are deemed relevant. In applying these factors, TPCM recognizes that different broker-dealers may have different execution capabilities with respect to different types of securities. The factors include, but are not limited to:

- TPCM's knowledge of negotiated commission rates and spreads currently available;
- the nature of the security being traded;
- the size and type of the transaction;
- the nature and character of the markets for the security to be purchased or sold;
- the desired timing of the trade and speed of execution;
- the activity existing and expected in the market for the particular security;
- the broker-dealer's access to primary markets and quotation sources
- the ability of the broker dealer to effect transactions when a large block of securities is involved or where liquidity is limited;
- confidentiality;
- the execution, clearance and settlement capabilities and history as well as the reputation and perceived soundness of the broker-dealer selected and others which are considered;
- TPCM's knowledge of actual or apparent operational problems of any broker-dealer;
- the broker-dealer's execution services rendered on a continuing basis and in other transactions;
- the broker-dealer's access to underwriting offerings and secondary markets;
- the broker-dealer's reliability in executing trades, keeping records and accounting for and correcting trade errors;
- the broker-dealer's ability to accommodate TPCM's needs with respect to one or more trades including willingness and ability to maintain quality execution in unusual or volatile market conditions and to commit capital by taking positions in order to complete trades;
- the quality of communication links between TPCM and the broker-dealer; and
- the reasonableness of spreads or commissions

Research and other Soft Dollar Benefits

TPCM does not currently maintain any arrangements where it receives products and services from broker-dealers in connection with client securities transactions. Should TPCM enter into any arrangements or receive products or services on an ongoing basis from broker-dealers it would limit the use of any "soft dollars" to services that constitute brokerage within the meaning of Section 28(e) of the Securities Exchange Act of 1934.

Brokerage for Client Referrals

TPCM does not maintain any referral arrangement with broker/dealers.

Directed Brokerage

While TPCM generally selects broker-dealers for separately managed client accounts, TPCM may accept in limited instances, direction from clients as to which broker-dealer is to be used. If the client directs the use of a particular broker-dealer, TPCM asks that the client also specify in writing (i) general types of securities for which a designated firm should be used and (ii) whether the designated firm should be used for all transactions, even though TPCM might be able to obtain a more favorable net price and execution from another broker-dealer in particular transactions. Clients, who, in whole or in part, direct TPCM to use a particular broker-dealer to execute transactions for their accounts should be aware that, in so doing, they may adversely affect TPCM's ability to, among other things, obtain volume discounts on bunched orders or to obtain best price and execution by, for example, executing over-the-counter stock transactions with the market makers for such securities.

Additionally, as noted above, transactions for a client that directs brokerage are generally unable to be combined or "bunched" for execution purposes with orders for the same securities for other accounts managed by TPCM. Accordingly, directed transactions may be subject to price movements, particularly in volatile markets, that may result in the client receiving a price that is less favorable than the price obtained for the bunched order. Under these circumstances, the direction by a client of a particular broker or dealer to execute transactions may result in higher commissions, greater spreads, or less favorable net prices than might be the case if TPCM could negotiate commission rates or spreads freely, or select brokers or dealers based on best execution. Consequently, best price and execution may not be achieved.

12.B. Aggregation of Orders

In making investment decisions for the accounts, securities considered for investment by one account may also be appropriate for another account managed by TPCM. On occasions when the purchase or sale of a security is deemed to be in the best interest of more than one account, TPCM may, but is not obligated to, aggregate or "batch" orders for the purchase or sale of securities for all such accounts to the extent consistent with best execution and the terms of the relevant investment advisory agreements. Such combined or "batched" trades may be used to facilitate best execution, including negotiating more favorable prices, obtaining more timely or equitable execution or reducing overall commission charges.

TPCM may combine orders for the purchase and sale of securities on behalf of investment advisory clients, including accounts and collective investment vehicles in which TPCM or its associated persons might have an interest, subject to the following conditions:

- fully disclose aggregation policies to all clients;
- do not favor any advisory account over any other managed account;
- give individual investment advice to each account;
- each participating account receives the average sales price for each trading day;
- combine trades only if consistent with duty to seek best execution and with the terms of the relevant clients' investment advisory agreements; and

- specify the participating accounts and the relevant allocation method in writing before entering an aggregated order.

Aggregation of transactions will occur only when TPCM believes that such aggregation is consistent with TPCM's duty to seek best execution and best price for clients and is consistent with TPCM's investment advisory agreement with each client for which trades are being aggregated.

Directed brokerage clients may be unable to participate in batched transactions. TPCM generally will not aggregate trades for clients that may have limited TPCM's brokerage discretion or other client accounts that it manages to the extent that those clients have directed their brokerage to a particular broker-dealer. Not aggregating may result in higher costs or less favorable execution. Orders for such clients will generally be aggregated only with similar clients and allocated in the same manner as described above. The same manual process described above will be implemented for these accounts if random allocation would result in a partial fill for the last account selected.

TPCM may include proprietary accounts in such aggregate trades subject to its duty of seeking best execution and to its Code of Ethics.

Item 13 Review of Accounts

13.A. Frequency and Nature of Review

Lauren Templeton, Managing Member and Scott Phillips, Portfolio Manager, Head of Research and Chief Compliance Officer are responsible and have ultimate authority for all trading and investment decisions made on behalf of advisory clients. At least monthly, client accounts are reviewed to ensure compliance with client objectives and restrictions and to evaluate portfolios with regard to stated investment strategies and current market conditions.

13.B. Factors That May Trigger An Account Review Outside of Regular Review

Generally, client accounts are reviewed as needed depending on factors such as cash flows, changes in client objectives or restrictions or changing market conditions.

13.C. Content and Frequency of Reports

At least quarterly, account statements are furnished by the custodian to each advisory client and a portfolio manager will meet with such clients when requested or at other times as may be mutually agreed upon by TPCM and the client. Such meetings may be conducted in person or via teleconference. TPCM urges clients to carefully review the custodian statement provided for their account.

Item 14 Client Referrals and Other Compensation

TPCM may have referral arrangements with individuals who may be compensated, directly or indirectly, in compliance with applicable law. Third parties will be compensated in accordance with Rule 206 (4)-3 under the Advisers Act. This presents a potential conflict of interest since solicitors have an incentive to recommend TPCM because they are being compensated by TPCM. To mitigate this risk, fee sharing arrangements will be disclosed to the client, and TPCM's fee will remain the same regardless of whether a fee is paid. TPCM currently maintains one arrangement where an unaffiliated individual is paid 20% of the annual management fee for accounts brought in under the arrangement.

Item 15 Custody

Qualified custodians maintain assets in accounts in the name of the client for the accounts managed by TPCM. Clients should receive at least quarterly statements from the broker dealer, bank or other qualified custodian that holds and maintains client's investment assets. TPCM takes steps to assure itself that the client's qualified custodian directly sends periodic account statements, at least quarterly, showing all transactions in the account, including fees paid to TPCM, to advisory clients.

Item 16 Investment Discretion

Generally, TPCM is retained with respect to its individual accounts on a discretionary basis and is authorized to make the following determinations in accordance with the client's specified investment objectives without client consultation or consent before a transaction is effected:

- Which securities to buy or sell.
- The total amount of securities to buy or sell.
- The broker or dealer through whom securities are bought or sold.
- The commission rates at which securities transactions for client accounts are affected.
- The prices at which securities are to be bought or sold, which may include dealer spreads or mark-ups and transaction costs.

Investments for separately managed client accounts are managed in accordance with each client's stated investment objectives, strategies, restrictions and guidelines.

TPCM assumes discretion over the account upon execution of the advisory agreement with the client.

Item 17 Voting Client Securities

It is TPCM's general policy to not vote proxies on behalf of Clients. If a Client requests that the Adviser vote proxies on its behalf and the Adviser accepts responsibility for proxy voting, then established proxy voting guidelines will be followed. For proxies that are voted by the Adviser, TPCM maintains a record of proxy votes which are cast on that particular clients account. Circumstances may arise wherein TPCM may have a conflict of interest in voting proxies on behalf of its clients. These circumstances may include but are not limited to instances in which TPCM or one or more affiliates (including the directors, officers or employees) has or is seeking to have the issuer of the securities being voted become a client of TPCM. Votes shall be cast in the best interests of TPCM's clients, regardless of the effect of any such vote on TPCM. TPCM shall make its proxy voting policy and records available to its investors and shareholders upon request. Any proxy solicitations that may result from a holding in a client portfolio will be sent to the client.

Clients may contact Adviser if they have questions about a particular proxy solicitation at (423) 826-0944.

Item 18 Financial Information

18.A. Advance Payment of Fees

TPCM does not require or solicit prepayment of more than \$1,200 in fees per client, six months or more in advance.

18.B. Financial Condition

Registered investment advisers are required in this Item to provide you with certain financial information or disclosures about their financial condition. TPCM has no financial commitments that impair its ability to meet contractual commitments and fiduciary commitments to clients.

18.C. No Bankruptcy Proceedings

TPCM has not been the subject of a bankruptcy proceeding.