

Item 1: Cover Page

Part 2A of Form ADV Firm Brochure

February 25, 2021

T2 Asset Management, LLC

SEC File No. 801-112202

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This brochure provides information about the qualifications and business practices of T2 Asset Management. If you have any questions about the contents of this brochure, please contact us at 888-354-8499. The information in this brochure has not been approved or verified by the United States Securities and Exchange Commission or by any state securities authority. Registration with the SEC or state regulatory authority does not imply a certain level of skill or expertise.

Additional information about T2 Asset Management is also available on the SEC's website at www.adviserinfo.sec.gov.

Item 2: Material Changes

This Firm Brochure is our disclosure document prepared according to regulatory requirements and rules. Consistent with the rules, we will ensure that you receive a summary of any material changes to this and subsequent Brochures within 120 days of the close of our business fiscal year. Furthermore, we will provide you with other interim disclosures about material changes as necessary.

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Item 4: Advisory Business

A. T2 Asset Management, LLC

T2 Asset Management, LLC ("T2 Asset Management" or the "firm") is a registered investment adviser. The firm is organized as an Illinois limited liability company providing Investment Management, Wealth Planning, and Business Advisory Services to individuals and institutions. T2 Asset Management was formed in May of 2013. The firm is principally owned by Dragan ("Dan") Timotic and Kenneth ("Ken") S. Tomko.

B. Advisory Services Offered

T2 Asset Management is an independent asset management and financial planning firm offering a variety of financial services to individuals, trusts, corporations, partnerships, retirement plans, tax exempt and other legal entities.

All of our strategies provide diversified, multi-asset class exposure in separately managed accounts based on the client's investment objectives. The firm's clients have the ability to impose reasonable restrictions on our portfolio management.

T2 Asset Management tailors all services to the individual investment needs of its clients by determining each client's specific goals, objectives, risk tolerance, time horizon, investment restrictions and other factors that might affect the client's investment needs. Based on this determination, the firm designs and implements an asset allocation framework geared toward achieving the defined objectives. Based on our discussion with clients, we will suggest a portfolio to the client that meets their risk tolerance and investment objective.

T2 Asset Management uses proprietary models to help guide our investment decisions and attempt to manage portfolio risk. We offer our investment strategies in four (4) general models depending on the risk tolerance of each client:

- Capital Preservation
- Growth and Income
- Growth
- Aggressive Growth

B.1. Investment Management Services

T2 Asset Management's Investment Management Services include the following:

- Portfolio evaluation
- Assessment of investment objectives and financial goals
- Strategic asset allocation planning
- Security selection and trading
- Portfolio management and monitoring
- Performance measurement

For its discretionary Investment Management Services, T2 Asset Management receives a limited power of attorney to effect securities transactions on behalf of its clients that include securities and strategies described in Item 8 of this brochure.

T2 Asset Management's Investment Management Services are predicated on the client's investment objectives, goals, tolerance for risk, and other personal and financial circumstances. T2 Asset Management will analyze each client's current investments, investment objectives, goals, age, time horizon, financial circumstances, investment experience, investment restrictions and limitations, and risk tolerance and implement a portfolio consistent with such investment objectives, goals, risk tolerance and related financial circumstances. T2 Asset Management's objective is to review the client's tax, financial, and estate planning objectives and goals in connection with the client's investment objectives, goals, tolerance for risk, and other personal and financial circumstances and make appropriate recommendations and implementation decisions. T2 Asset Management may engage third-party service providers to assist with the tax and estate planning portion of the services provided to clients. In addition, T2 Asset Management may utilize third-party software to analyze individual security holdings and separate account managers utilized within the client's portfolio.

In addition to providing T2 Asset Management with information regarding their personal financial circumstances, investment objectives and tolerance for risk, clients have the right to provide the firm with any reasonable investment restrictions that should be imposed on the management of their portfolio, and to promptly notify the firm in writing of any changes in such restrictions or in the client's personal financial circumstances, investment objectives, goals and tolerance for risk. T2 Asset Management's annual Privacy Policy notice will remind clients of their obligation to inform the firm of any such changes or any restrictions that should be imposed on the management of the client's account.

B.2. Wealth Planning Services

T2 Asset Management's Wealth Planning Services include the following:

- Net worth analysis
- Liquidity and liability management
- Compensation and benefits analysis
- Retirement planning
- Education planning
- Philanthropy and charitable gift planning

B.3. Business Advisory Services

T2 Asset Management's Business Advisory Services include the following:

- Business Advisory Services
- Retirement planning
- Risk management services
- Group benefit services

B.4. 401(k) Consultative Services

Upon completing a questionnaire provided by the firm, T2 Asset Management will provide a one-time review of the performance of the client's 401(k) account and provide the client with a report of the firm's investment advice, including allocation advice, regarding the investment alternatives offered by the plan in accordance with the client's risk tolerance and investment goals as set forth in the questionnaire.

C. Client-Tailored Services and Client-Imposed Restrictions

Each client's account will be managed on the basis of the client's financial situation and investment objectives and in accordance with any reasonable restrictions imposed by the client on the management of the account—for example, restricting the type or amount of security to be purchased in the portfolio.

D. Wrap Fee Programs

T2 Asset Management does not participate in wrap fee programs. (Wrap fee programs offer services for one all-inclusive fee.)

E. Client Assets Under Management

As of December 31, 2020, T2 Asset Management managed \$137,000,000 of client assets on a discretionary basis.

Item 5: Fees and Compensation

A. Methods of Compensation and Fee Schedule

A.1. Asset-Based Fee Schedule

T2 Asset Management's fee asset-based fees are calculated as a percentage of the value of the managed assets. Many factors determine proposed fee rates, including the size, complexity, and composition of the account. While fees are negotiable based on these factors, generally, investment advisory fees will not exceed 2.0%.

Asset-based fees are always subject to the investment advisory agreement between the client and T2 Asset Management. Such fees are payable quarterly in advance and are based on the value of your account (s) as of the end of the last day of the immediately preceding calendar quarter. The fees will be prorated if the investment advisory relationship commences otherwise than at the beginning of a calendar quarter. Adjustments for significant contributions to a client's portfolio are prorated for the quarter in which the change occurs; no adjustments will be made for withdrawals.

The client authorizes the qualified custodian to automatically deduct the fee and all other charges payable hereunder from the assets in the account when due, with such payments to be reflected on the next account statement sent to the client. If insufficient cash is available to pay such fees, securities in an amount equal to the balance of unpaid fees will be liquidated to pay for the unpaid balance. T2 Asset Management may modify the fee at any time upon 30 days' written notice to the client. In the event the client has an ERISA-governed plan, fee modifications must be approved in writing by the client.

A.2. Hourly and Fixed Fee Arrangements

T2 Asset Management may also charge an hourly fee of \$100 per hour up to \$200 per hour for clients who want a review of any assets they have away from the firm. The hourly rate is negotiable depending on the complexity of the accounts held away from T2 Asset Management. Generally speaking, for example, an individual with only a 401(k) account at work requesting a review, T2 Asset Management will charge \$100 per hour. For a married couple with significant assets held away from T2 Asset Management that involves reviewing numerous accounts and trusts, the firm will charge \$200 per hour.

From time to time, T2 Asset Management may charge a fixed fee of up to \$2000 for clients that want only a financial plan prepared for them. There may be mitigating circumstances that could cause that fee to go higher or lower. At the firm's sole discretion, we can waive or reduce this fee.

The client will be billed directly for such services. Invoices will be mailed out on a periodic basis reflecting completed work performed. Clients seeking to terminate this service must do so in writing.

B. Client Payment of Fees

T2 Asset Management generally requires investment advisory fees to be prepaid on a quarterly basis. T2 Asset Management's fees will either be paid directly by the client or disbursed to T2 Asset Management by the qualified custodian of the client's investment accounts, subject to prior written consent of the client. The custodian will deliver directly to the client an account statement, at least quarterly, showing all investment and transaction activity for the period, including fee disbursements from the account.

T2 Asset Management requires clients to authorize the direct debit of fees from their accounts. Exceptions may be granted subject to the firm's consent for clients to be billed directly for our fees. For directly debited fees, the custodian's periodic statements will show each fee deduction from the account. Clients may withdraw this authorization for direct billing of these fees at any time by notifying us or their custodian in writing. T2 Asset Management will deduct advisory fees directly from the client's account provided that (i) the client provides written authorization to the qualified custodian, and (ii) the qualified custodian sends the client a statement, at least quarterly, indicating all amounts disbursed from the account. The client is responsible for verifying the accuracy of the fee calculation, as the client's custodian will not verify the calculation.

A client investment advisory agreement may be canceled at any time by either party upon 30 days' prior written notice. Upon termination, any unearned, prepaid fees will be promptly refunded.

C. Additional Client Fees Charged

All fees paid for investment advisory services are separate and distinct from the fees and expenses charged by exchange-traded funds, mutual funds, broker-dealers, and custodians retained by clients. Such fees and expenses are described in each exchange-traded fund and mutual fund's prospectus, and by any broker-dealer or custodian retained by the client. Clients are advised to read these materials carefully before investing. If a mutual fund also imposes sales charges, a client may pay an initial or deferred sales charge as further described in the mutual fund's prospectus. A client using T2 Asset Management may be precluded from using certain mutual funds or separate account managers because they may not be offered by the client's custodian.

Please refer to the Brokerage Practices section (Item 12) for additional information regarding the firm's brokerage practices.

D. External Compensation for the Sale of Securities to Clients

T2 Asset Management's advisory professionals are compensated primarily through a percentage of AUM fees. T2 Asset Management advisory professionals may be paid sales, service, or administrative fees for the sale of mutual funds or other investment products. T2 Asset Management's advisory professionals may receive commission-based compensation for the sale of securities and insurance products. Such investment adviser representatives, in their capacity

as a PKS registered representative, are prohibited from earning an advisory fee on the securities value transferred from an advisory client's PKS brokerage account unless commissions earned on such securities transactions occurred at least a 12–18 months prior to the transfer. Please see Item 10 for detailed information and conflicts of interest.

E. Important Disclosure – Custodian Investment Programs

Please be advised that certain of the firm's investment adviser representatives are registered with a broker-dealer and/or the firm is a broker-dealer or affiliated with a broker-dealer. Under these arrangements, we can access certain investment programs offered through the broker-dealer that offer certain compensation and fee structures that create conflicts of interest of which clients need to be aware. As such, the investment adviser representative and/or the firm may have an economic incentive to recommend the purchase of 12b-1 or revenue share class mutual funds offered through the broker-dealer platform rather than from the investment adviser platform.

Please be advised that the firm utilizes certain custodians/broker-dealers. Under these arrangements we can access certain investment programs offered through such custodian(s) that offer certain compensation and fee structures that create conflicts of interest of which clients need to be aware. Please note the following:

Limitation on Mutual Fund Universe for Custodian Investment Programs: Please note that as a matter of policy we prohibit the receipt of revenue share fees from any mutual funds utilized for our advisory clients' portfolios. There are certain programs in which we participate where a client's investment options may be limited in certain of these programs to those mutual funds and/or mutual fund share classes that pay 12b-1 fees and other revenue sharing fee payments, and the client should be aware that the firm is not selecting from among all mutual funds available in the marketplace when recommending mutual funds to the client.

Conflict Between Revenue Share Class (12b-1) and Non-Revenue Share Class Mutual Funds: Revenue share class/12b-1 fees are deducted from the net asset value of the mutual fund and generally, all things being equal, cause the fund to earn lower rates of return than those mutual funds that do not pay revenue sharing fees. The client is under no obligation to utilize such programs or mutual funds. Although many factors will influence the type of fund to be used, the client should discuss with their investment adviser representative whether a share class from a comparable mutual fund with a more favorable return to investors is available that does not include the payment of any 12b-1 or revenue sharing fees given the client's individual needs and priorities and anticipated transaction costs. In addition, the receipt of such fees can create conflicts of interest in instances (i) where our adviser representative is also licensed as a registered representative of a broker-dealer and receives a portion of 12b-1 and or revenue sharing fees as compensation – such compensation creates an incentive for the investment adviser representative to use programs which utilize funds that pay such additional compensation; and (ii) where the custodian receives the entirety of the 12b-1 and/or revenue sharing fees and takes the receipt of such fees into consideration in terms of benefits it may elect to provide to the firm, even though such benefits may or may not benefit some or all of the firm clients.

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

T2 Asset Management does not charge performance-based fees and therefore has no economic incentive to manage clients' portfolios in any way other than what is in their best interests.

Item 7: Types of Clients

T2 Asset Management offers its investment advisory services to various types of clients including individuals and high-net-worth individuals, small businesses, and institutions.

In general, we require a minimum account size of \$100,000. At our discretion, we may waive this minimum account size. The firm may also combine account values for clients and their children, joint accounts with their spouse, and other types of related accounts to meet the stated minimum. T2 Asset Management has the right to terminate a client's account if it falls below a minimum size, which, in our sole opinion, is too small to effectively manage.

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

A. Methods of Analysis and Investment Strategies

A.1. Methods of Analysis

T2 Asset Management implements both technical and fundamental analysis in its approach to portfolio management. Our active strategies rely on our proprietary, rules-based models, which take into account current market conditions. By analyzing the current market environment in addition to our fundamental outlook, we determine the overall risk level in the market and make changes to reflect our view. Our primary objective is to participate in the market during sustained rallies and move to a more defensive position during periods of elevated risk.

T2 Asset Management invests primarily in exchange-traded funds or ETFs, mutual funds, individual equities, bonds, and cash. Asset allocation is dictated by multiple factors to establish an indication of the level of risk in the market. For example, if the model indicates a relatively high level of risk in the market, we will reduce exposure to higher risk sectors in favor of a more defensive position. When the model indicates a low level of risk, we will add exposure to more sensitive sectors of the market. Depending on each client's objectives, T2 Asset Management may hold significant levels of cash at times.

T2 Asset Management believes in fundamental analysis driven by catalysts for growth in addition to technical analysis identifying current market conditions. By combining both technical and fundamental analysis to our models, we make an effort to participate in the upside of the market over an economic cycle while identifying the current market risks in order to avoid potential downside participation. Our focus on downside risk may cause our strategies to underperform in certain market rallies, but we believe protecting investors during times of increased uncertainty will benefit investors in the long run. The Firm attempts to strike a balance between longer-term views based on fundamental analysis while taking into account the current market conditions.

T2 Asset Management uses a variety of sources of data to conduct its economic, investment and market analysis, such as financial newspapers and magazines, economic and market research materials prepared by others, conference calls hosted by mutual funds, corporate rating services, annual reports, prospectuses, and company press releases. It is important to keep in mind that there is no specific approach to investing that guarantees success or positive returns; investing in securities involves risk of loss that clients should be prepared to bear.

T2 Asset Management and its investment adviser representatives are responsible for identifying and implementing the methods of analysis used in formulating investment recommendations to clients. The methods of analysis may include quantitative methods for optimizing client portfolios, computer-based risk/return analysis, technical analysis, and statistical and/or computer models utilizing long-term economic criteria.

- Optimization involves the use of mathematical algorithms to determine the appropriate mix of assets given the firm's current capital market rate assessment and a particular client's risk tolerance.

- Quantitative methods include analysis of historical data such as price and volume statistics, performance data, standard deviation and related risk metrics, how the security performs relative to the overall stock market, earnings data, price to earnings ratios, and related data.
- Technical analysis involves charting price and volume data as reported by the exchange where the security is traded to look for price trends.
- Computer models may be used to derive the future value of a security based on assumptions of various data categories such as earnings, cash flow, profit margins, sales, and a variety of other company specific metrics.

In addition, T2 Asset Management reviews research material prepared by others, as well as corporate filings, corporate rating services, and a variety of financial publications. T2 Asset Management may employ outside vendors or utilize third-party software to assist in formulating investment recommendations to clients.

A.2. Investment Strategies

In an effort to assist clients in understanding the potential risk and reward of their investment portfolio, T2 Asset Management has developed four (4) investment strategies:

- Capital Preservation is the most conservative strategy we manage. This strategy is designed for investors with low risk tolerance and for investors with a short time horizon.
- Growth and Income is designed for investors who are willing to take on slightly more risk and have a longer time horizon.
- Growth is designed for investors who are willing to take on a moderate amount of risk and have a much longer time horizon.
- Aggressive Growth is designed for investors who have a very high level of risk tolerance. This strategy is the most unconstrained, but generally, this strategy will not hold any core fixed income and is managed as an all equity portfolio. This strategy gives T2 Asset Management the most flexibility.

All of the strategies we manage are primarily invested in exchange-traded funds, or ETFs. In certain more aggressive strategies for clients with greater risk tolerance, T2 Asset Management will purchase individual securities including, but not limited to common stock, preferred stock, bonds, private placements, mutual funds and real estate investment trusts.

A.3. Risk of Loss

T2 Asset Management's strategies and investments involve risks, and therefore, clients must be prepared to bear the loss of their entire investment. There can be no assurance that any of the strategies will be successful in meeting their investment objective. Generally, T2 Asset Management's strategies are subject to the following risks:

- *Market Risk:* The possibility for an investor to experience losses due to factors that affect the overall performance of the financial markets. Market risk, also called "systematic risk," cannot be eliminated through diversification, though it can be hedged against. The risk that a major natural disaster will cause a decline in the market as a whole is an example

of market risk. Other sources of market risk include recessions, political turmoil, changes in interest rates and terrorist attacks.

- *Interest Rate Risk*: Interest rate risk is the risk that arises for bond owners from fluctuating interest rates. How much interest rate risk a bond has depends on how sensitive its price is to interest rate changes in the market. The sensitivity depends on two things, the bond's time to maturity, and the coupon rate of the bond.
- *Inflation Risk*: Inflation risk is the uncertainty over the future real value of your investment after inflation.
- *Credit Risk*: The risk of loss of principal or loss of a financial reward stemming from a borrower's failure to repay a loan or otherwise meet a contractual obligation. Credit risk arises whenever a borrower is expecting to use future cash flows to pay a current debt. Investors are compensated for assuming credit risk by way of interest payments from the borrower or issuer of a debt obligation.
- *Business Risk*: Business risk is the measure of risk associated with a particular security. It is also known as unsystematic risk and refers to the risk associated with a specific issuer of a security.
- *Liquidity Risk*: Liquidity risk refers to the possibility that an investor may not be able to buy or sell an investment as and when desired or in sufficient quantities because opportunities are limited.
- *Reinvestment Risk*: Reinvestment risk is the risk that falling interest rates will lead to a decline in cash flow from an investment when its principal and interest payments are reinvested at lower rates.
- *Geopolitical Risk*: The risk that an investment's returns could suffer as a result of political changes or instability in a country or region. Instability affecting investment returns could stem from a change in government, legislative bodies, other foreign policy makers, or military control.
- *Currency/Exchange Rate Risk*: Currency or exchange rate risk is a form of risk that arises from the change in price of one currency against another. The constant fluctuations in the foreign currency in which an investment is denominated vis-à-vis one's home currency may add risk to the value of a security.

In addition to the risks listed above, T2 Asset Management is subject to strategy risk. The business of investing in securities is highly competitive and the identification of attractive investment opportunities is difficult and involves a high degree of uncertainty.

The success of our strategies depends in large part on our ability to accurately assess the fundamental value of securities. Fundamental analysis involves analyzing financial statements, management and competitive advantages, and competitors and markets.

A.4. Material Risks of Investment Instruments

T2 Asset Management typically invests in open-end mutual funds and exchange-traded funds for the vast majority of its clients. However, for certain clients, T2 Asset Management may effect transactions in the following types of securities:

- Equity securities
- Mutual fund securities
- Exchange-traded funds
- Fixed income securities

A.4.a. Equity Securities

Investing in individual companies involves inherent risk. The major risks relate to the company's capitalization, quality of the company's management, quality and cost of the company's services, the company's ability to manage costs, efficiencies in the manufacturing or service delivery process, management of litigation risk, and the company's ability to create shareholder value (i.e., increase the value of the company's stock price). Foreign securities, in addition to the general risks of equity securities, have geopolitical risk, financial transparency risk, currency risk, regulatory risk and liquidity risk.

A.4.b. Mutual Fund Securities

Investing in mutual funds carries inherent risk. The major risks of investing in a mutual fund include the quality and experience of the portfolio management team and its ability to create fund value by investing in securities that have positive growth, the amount of individual company diversification, the type and amount of industry diversification, and the type and amount of sector diversification within specific industries. In addition, mutual funds tend to be tax inefficient and therefore investors may pay capital gains taxes on fund investments while not having yet sold the fund.

A.4.c. Exchange-Traded Funds ("ETFs")

ETFs are investment companies whose shares are bought and sold on a securities exchange. An ETF holds a portfolio of securities designed to track a particular market segment or index. Some examples of ETFs are SPDRs[®], streetTRACKS[®], DIAMONDSSM, NASDAQ 100 Index Tracking StockSM ("QQQsSM") iShares[®] and VIPERs[®]. The funds could purchase an ETF to gain exposure to a portion of the U.S. or foreign market. The funds, as a shareholder of another investment company, will bear their pro-rata portion of the other investment company's advisory fee and other expenses, in addition to their own expenses.

Investing in ETFs involves risk. Specifically, ETFs, depending on the underlying portfolio and its size, can have wide price (bid and ask) spreads, thus diluting or negating any upward price movement of the ETF or enhancing any downward price movement. Also, ETFs require more frequent portfolio reporting by regulators and are thereby more susceptible to actions by hedge funds that could have a negative impact on the price of the ETF. Certain ETFs may employ leverage, which creates additional volatility and price risk depending on the amount of leverage utilized, the collateral and the liquidity of the supporting collateral.

Further, the use of leverage (i.e., employing the use of margin) generally results in additional interest costs to the ETF. Certain ETFs are highly leveraged and therefore have additional volatility and liquidity risk. Volatility and liquidity can severely and negatively impact the price

of the ETF's underlying portfolio securities, thereby causing significant price fluctuations of the ETF.

A.4.d. Fixed Income Securities

Fixed income securities carry additional risks than those of equity securities described above. These risks include the company's ability to retire its debt at maturity, the current interest rate environment, the coupon interest rate promised to bondholders, legal constraints, jurisdictional risk (U.S or foreign) and currency risk. If bonds have maturities of ten years or greater, they will likely have greater price swings when interest rates move up or down. The shorter the maturity the less volatile the price swings. Foreign bonds have liquidity and currency risk.

B. Investment Strategy and Method of Analysis Material Risks

Our investment strategy is custom-tailored to the client's goals, investment objectives, risk tolerance, and personal and financial circumstances.

B.1. Margin Leverage

Although T2 Asset Management, as a general business practice, does not utilize leverage, there may be instances in which exchange-traded funds, other separate account managers and, in very limited circumstances, T2 Asset Management will utilize leverage. In this regard please review the following:

The use of margin leverage enhances the overall risk of investment gain and loss to the client's investment portfolio. For example, investors are able to control \$2 of a security for \$1. So if the price of a security rises by \$1, the investor earns a 100% return on their investment. Conversely, if the security declines by \$.50, then the investor loses 50% of their investment.

The use of margin leverage entails borrowing, which results in additional interest costs to the investor.

Broker-dealers who carry customer accounts require a minimum equity requirement when clients utilize margin leverage. The minimum equity requirement is stated as a percentage of the value of the underlying collateral security with an absolute minimum dollar requirement. For example, if the price of a security declines in value to the point where the excess equity used to satisfy the minimum requirement dissipates, the broker-dealer will require the client to deposit additional collateral to the account in the form of cash or marketable securities. A deposit of securities to the account will require a larger deposit, as the security being deposited is included in the computation of the minimum equity requirement. In addition, when leverage is utilized and the client needs to withdraw cash, the client must sell a disproportionate amount of collateral securities to release enough cash to satisfy the withdrawal amount based upon similar reasoning as cited above.

Regulations concerning the use of margin leverage are established by the Federal Reserve Board and vary if the client's account is held at a broker-dealer versus a bank custodian. Broker-dealers and bank custodians may apply more stringent rules as they deem necessary.

B.2. Short-Term Trading

Although T2 Asset Management, as a general business practice, does not utilize short-term trading, there may be instances in which short-term trading may be necessary or an appropriate strategy. In this regard, please read the following:

There is an inherent risk for clients who trade frequently in that high-frequency trading creates substantial transaction costs that in the aggregate could negatively impact account performance.

B.3. Technical Trading Models

Technical trading models are mathematically driven based upon historical data and trends of domestic and foreign market trading activity, including various industry and sector trading statistics within such markets. Technical trading models, through mathematical algorithms, attempt to identify when markets are likely to increase or decrease and identify appropriate entry and exit points. The primary risk of technical trading models is that historical trends and past performance cannot predict future trends, and there is no assurance that the mathematical algorithms employed are designed properly, updated with new data, and can accurately predict future market, industry, and sector performance.

B.4. Option Strategies

Various option strategies give the holder the right to acquire or sell underlying securities at the contract strike price up until expiration of the option. Each contract is worth 100 shares of the underlying security. Options entail greater risk but allow an investor to have market exposure to a particular security or group of securities without the capital commitment required to purchase the underlying security or groups of securities. In addition, options allow investors to hedge security positions held in the portfolio. For detailed information on the use of options and option strategies, please contact the Options Clearing Corporation for the current Options Risk Disclosure Statement.

T2 Asset Management as part of its investment strategy may employ the following option strategies:

- Covered call writing
- Short put option strategy

B.4.a. Covered Call Writing

Covered call writing is the sale of in-, at-, or out-of-the-money call option against a long security position held in the client portfolio. This type of transaction is used to generate income. It also serves to create downside protection in the event the security position declines in value. Income is received from the proceeds of the option sale. Such income may be reduced to the extent it is necessary to buy back the option position prior to its expiration. This strategy may involve a degree of trading velocity, transaction costs and significant losses if the underlying security has volatile price movement. Covered call strategies are generally suited for companies with little price volatility.

B.4.b. Short Put Option Strategy

Short put option strategy is highly speculative and has theoretical potential for significant loss. The seller (writer) of the put option receives proceeds (premium) from the sale of the option. The expectation is that the value of the underlying security will remain above the contract strike price and the option will expire worthless, allowing the option writer to keep the entire amount of the sale proceeds (premium). Should the value of the underlying security decrease below the contract strike price, the option writer can either purchase the put option at a loss, or through a process of exercise and assignment be forced to buy the stock at the contract strike price. If this happens, the option writer will be purchasing the underlying security at a price potentially well above its then-current market value, exposing the investor to potential loss.

C. Security-Specific Material Risks

There is an inherent risk for clients who have their investment portfolios heavily weighted in one security, one industry or industry sector, one geographic location, one investment manager, one type of investment instrument (equities versus fixed income). Clients who have diversified portfolios, as a general rule, incur less volatility and therefore less fluctuation in portfolio value than those who have concentrated holdings. Concentrated holdings may offer the potential for higher gain, but also offer the potential for significant loss.

Item 9: Disciplinary Information

A. Criminal or Civil Actions

There is nothing to report on this item.

B. Administrative Enforcement Proceedings

There is nothing to report on this item.

C. Self-Regulatory Organization Enforcement Proceedings

There is nothing to report on this item.

Item 10: Other Financial Industry Activities and Affiliations

A. Broker-Dealer or Representative Registration

A.1. Purshe Kaplan Investments

Vincent Cione, a Senior Wealth Manager of Management, is a registered representative with Purshe Kaplan Sterling Investments ("PKS"), a FINRA-registered broker-dealer and member of SIPC. T2 Asset Management professionals who effect transactions for advisory clients may receive transaction or commission compensation from PKS. The recommendation of securities transactions for commission creates a conflict of interest in that Mr. Cione is economically incented to effect securities transactions for clients. Although Mr. Cione strives to put his clients' interests first, such recommendations may be viewed as being in the best interests of Mr. Cione and T2 Asset Management rather than in the client's best interest. T2 Asset Management advisory clients are not compelled to effect securities transactions through PKS.

B. Futures or Commodity Registration

Neither T2 Asset Management nor its affiliates are registered as a commodity firm, futures commission merchant, commodity pool operator or commodity trading advisor and do not have an application to register pending.

C. Material Relationships Maintained by this Advisory Business and Conflicts of Interest

C.1. Asbury Investment Management LLC

Kenneth Tomko is a principal owner of Asbury Investment Management, a registered investment adviser; as such, Asbury Investment Management and T2 Asset Management are affiliated by common ownership. Asbury Investment Management manages individual separate accounts for its advisory clients.

C.2. Insurance Sales

Certain managers, members, and registered employees of T2 Asset Management are licensed insurance agents. With respect to the provision of financial planning services, T2 Asset Management professionals may recommend insurance products offered by such carriers for whom they function as an agent and receive a commission for doing so. Please be advised there is a potential conflict of interest in that there is an economic incentive to recommend insurance and other investment products of such carriers. Please also be advised that T2 Asset Management strives to put its clients' interests first and foremost, and clients may utilize any insurance carrier or insurance agency they desire.

D. Recommendation or Selection of Other Investment Advisors and Conflicts of Interest

T2 Asset Management does not recommend separate account managers or other investment products in which it receives any form of referral or solicitor compensation from the separate account manager or client.

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

A. Code of Ethics Description

In accordance with the Advisers Act, T2 Asset Management has adopted policies and procedures designed to detect and prevent insider trading. In addition, T2 Asset Management has adopted a Code of Ethics (the "Code"). Among other things, the Code includes written procedures governing the conduct of T2 Asset Management's advisory and access persons. The Code also imposes certain reporting obligations on persons subject to the Code. The Code and applicable securities transactions are monitored by the chief compliance officer of T2 Asset Management. T2 Asset Management will send clients a copy of its Code of Ethics upon written request.

T2 Asset Management has policies and procedures in place to ensure that the interests of its clients are given preference over those of T2 Asset Management, its affiliates and its employees. For example, there are policies in place to prevent the misappropriation of material non-public information, and such other policies and procedures reasonably designed to comply with federal and state securities laws.

B. Investment Recommendations Involving a Material Financial Interest and Conflicts of Interest

T2 Asset Management does not engage in principal trading (i.e., the practice of selling stock to advisory clients from a firm's inventory or buying stocks from advisory clients into a firm's inventory). In addition, T2 Asset Management does not recommend any securities to advisory clients in which it has some proprietary or ownership interest.

C. Advisory Firm Purchase of Same Securities Recommended to Clients and Conflicts of Interest

T2 Asset Management, its affiliates, employees and their families, trusts, estates, charitable organizations and retirement plans established by it may purchase the same securities as are purchased for clients in accordance with its Code of Ethics policies and procedures. The personal securities transactions by advisory representatives and employees may raise potential conflicts of interest when they trade in a security that is:

- owned by the client, or
- considered for purchase or sale for the client.

Such conflict generally refers to the practice of front-running (trading ahead of the client), which T2 Asset Management specifically prohibits. T2 Asset Management has adopted policies and procedures that are intended to address these conflicts of interest. These policies and procedures:

- require our advisory representatives and employees to act in the client's best interest,
- prohibit front-running, and

- provide for the review of transactions to discover and correct any trades that result in an advisory representative or employee benefitting at the expense of a client.

Advisory representatives and employees must follow T2 Asset Management's procedures when purchasing or selling the same securities purchased or sold for the client.

D. Client Securities Recommendations or Trades and Concurrent Advisory Firm Securities Transactions and Conflicts of Interest

T2 Asset Management, its affiliates, employees and their families, trusts, estates, charitable organizations, and retirement plans established by it may effect securities transactions for their own accounts that differ from those recommended or effected for other T2 Asset Management clients. T2 Asset Management will make a reasonable attempt to trade securities in client accounts at or prior to trading the securities in its affiliate, corporate, employee or employee-related accounts. Trades executed the same day will likely be subject to an average pricing calculation (please refer to Item 12.B.3 Order Aggregation). It is the policy of T2 Asset Management to place the clients' interests above those of T2 Asset Management and its employees.

Item 12: Brokerage Practices

A. Factors Used to Select Broker-Dealers for Client Transactions

A.1. Custodian Recommendations

T2 Asset Management may recommend that clients establish brokerage accounts with Charles Schwab & Co. Inc., or Interactive Brokers (collectively, "custodian"), FINRA registered broker-dealers, members SIPC, to maintain custody of clients' assets and to effect trades for their accounts. Although T2 Asset Management may recommend that clients establish accounts at the custodian, it is the client's decision to custody assets with the custodian. T2 Asset Management is independently owned and operated and not affiliated with custodian. For T2 Asset Management client accounts maintained in its custody, the custodian generally does not charge separately for custody services but is compensated by account holders through commissions and other transaction-related or asset-based fees for securities trades that are executed through the custodian or that settle into custodian accounts.

T2 Asset Management considers the financial strength, reputation, operational efficiency, cost, execution capability, level of customer service, and related factors in recommending broker-dealers or custodians to advisory clients.

In certain instances and subject to approval by T2 Asset Management, T2 Asset Management will recommend to clients certain other broker-dealers and/or custodians based on the needs of the individual client, and taking into consideration the nature of the services required, the experience of the broker-dealer or custodian, the cost and quality of the services, and the reputation of the broker-dealer or custodian. The final determination to engage a broker-dealer or custodian recommended by T2 Asset Management will be made by and in the sole discretion of the client. The client recognizes that broker-dealers and/or custodians have different cost and fee structures and trade execution capabilities. As a result, there may be disparities with respect to the cost of services and/or the transaction prices for securities transactions executed on behalf of the client. Clients are responsible for assessing the commissions and other costs charged by broker-dealers and/or custodians.

A.1.a. How We Select Brokers/Custodians to Recommend

T2 Asset Management seeks to recommend a custodian/broker who will hold client assets and execute transactions on terms that are overall most advantageous when compared to other available providers and their services. We consider a wide range of factors, including, among others, the following:

- combination of transaction execution services along with asset custody services (generally without a separate fee for custody)
- capability to execute, clear, and settle trades (buy and sell securities for client accounts)
- capabilities to facilitate transfers and payments to and from accounts (wire transfers, check requests, bill payment, etc.)

- breadth of investment products made available (stocks, bonds, mutual funds, exchange-traded funds (ETFs), etc.)
- availability of investment research and tools that assist us in making investment decisions
- quality of services
- competitiveness of the price of those services (commission rates, margin interest rates, other fees, etc.) and willingness to negotiate them
- reputation, financial strength, and stability of the provider
- their prior service to us and our other clients
- availability of other products and services that benefit us, as discussed below

A.1.b. Client's Custody and Brokerage Costs

For client accounts that the firm maintains, the custodian generally does not charge clients separately for custody services but is compensated by charging commissions or other fees on trades that it executes or that settle into the custodian's accounts. The custodian's commission rates applicable to the firm's client accounts were negotiated based on the firm's commitment to maintain a certain minimum amount of client assets at the custodian. This commitment benefits the client because the overall commission rates paid are lower than they would be if the firm had not made the commitment. In addition to commissions, the custodian charges a flat dollar amount as a "prime broker" or "trade away" fee for each trade that the firm has executed by a different broker-dealer but where the securities bought or the funds from the securities sold are deposited (settled) into the client's custodian account. These fees are in addition to the commissions or other compensation the client pays the executing broker-dealer. Because of this, in order to minimize the client's trading costs, the firm has the custodian execute most trades for the account.

A.1.c. Soft Dollar Arrangements

T2 Asset Management does not utilize soft dollar arrangements. T2 Asset Management does not direct brokerage transactions to executing brokers for research and brokerage services.

A.1.d. Institutional Trading and Custody Services

The custodian provides T2 Asset Management with access to its institutional trading and custody services, which are typically not available to the custodian's retail investors. These services generally are available to independent investment advisors on an unsolicited basis, at no charge to them so long as a certain minimum amount of the advisor's clients' assets are maintained in accounts at a particular custodian. The custodian's brokerage services include the execution of securities transactions, custody, research, and access to mutual funds and other investments that are otherwise generally available only to institutional investors or would require a significantly higher minimum initial investment.

A.1.e. Other Products and Services

Custodian also makes available to T2 Asset Management other products and services that benefit T2 Asset Management but may not directly benefit its clients' accounts. Many of these products and services may be used to service all or some substantial number of T2 Asset Management's accounts, including accounts not maintained at custodian. The custodian may also make available to T2 Asset Management software and other technology that

- provide access to client account data (such as trade confirmations and account statements)
- facilitate trade execution and allocate aggregated trade orders for multiple client accounts
- provide research, pricing and other market data
- facilitate payment of T2 Asset Management's fees from its clients' accounts
- assist with back-office functions, recordkeeping and client reporting

The custodian may also offer other services intended to help T2 Asset Management manage and further develop its business enterprise. These services may include

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

The custodian may also provide other benefits such as educational events or occasional business entertainment of T2 Asset Management personnel. In evaluating whether to recommend that clients custody their assets at the custodian, T2 Asset Management may take into account the availability of some of the foregoing products and services and other arrangements as part of the total mix of factors it considers, and not solely the nature, cost or quality of custody and brokerage services provided by the custodian, which may create a potential conflict of interest.

A.1.f. Independent Third Parties

The custodian may make available, arrange, and/or pay third-party vendors for the types of services rendered to T2 Asset Management. The custodian may discount or waive fees it would otherwise charge for some of these services or all or a part of the fees of a third party providing these services to T2 Asset Management.

A.1.g. Additional Compensation Received from Custodians

T2 Asset Management may participate in institutional customer programs sponsored by broker-dealers or custodians. T2 Asset Management may recommend these broker-dealers or custodians to clients for custody and brokerage services. There is no direct link between T2 Asset Management's participation in such programs and the investment advice it gives to its clients, although T2 Asset Management receives economic benefits through its participation in the programs that are typically not available to retail investors. These benefits may include the following products and services (provided without cost or at a discount):

- Receipt of duplicate client statements and confirmations
- Research-related products and tools
- Consulting services
- Access to a trading desk serving T2 Asset Management participants
- Access to block trading (which provides the ability to aggregate securities transactions for execution and then allocate the appropriate shares to client accounts)
- The ability to have advisory fees deducted directly from client accounts
- Access to an electronic communications network for client order entry and account information
- Access to mutual funds with no transaction fees and to certain institutional money managers
- Discounts on compliance, marketing, research, technology, and practice management products or services provided to T2 Asset Management by third-party vendors

The custodian may also pay for business consulting and professional services received by T2 Asset Management's related persons, and may pay or reimburse expenses (including travel, lodging, meals and entertainment expenses for T2 Asset Management's personnel to attend conferences). Some of the products and services made available by such custodian through its institutional customer programs may benefit T2 Asset Management but may not benefit its client accounts. These products or services may assist T2 Asset Management in managing and administering client accounts, including accounts not maintained at the custodian as applicable. Other services made available through the programs are intended to help T2 Asset Management manage and further develop its business enterprise. The benefits received by T2 Asset Management or its personnel through participation in these programs do not depend on the amount of brokerage transactions directed to the broker-dealer.

T2 Asset Management also participates in similar institutional advisor programs offered by other independent broker-dealers or trust companies, and its continued participation may require T2 Asset Management to maintain a predetermined level of assets at such firms. In connection with its participation in such programs, T2 Asset Management will typically receive benefits similar to those listed above, including research, payments for business consulting and professional services received by T2 Asset Management's related persons, and reimbursement of expenses (including travel, lodging, meals and entertainment expenses for T2 Asset Management's personnel to attend conferences sponsored by the broker-dealer or trust company).

As part of its fiduciary duties to clients, T2 Asset Management endeavors at all times to put the interests of its clients first. Clients should be aware, however, that the receipt of economic benefits by T2 Asset Management or its related persons in and of itself creates a potential conflict of interest and may indirectly influence T2 Asset Management's recommendation of broker-dealers for custody and brokerage services.

A.1.h. The Firm's Interest in Schwab's Services

The availability of these services from the custodian benefits the firm because the firm does not have to produce or purchase them. The firm does not have to pay for the custodian's services so long as a certain minimum of client assets is kept in accounts at the custodian. This minimum of client assets may give the firm an incentive to recommend that clients maintain their accounts with the custodian based on the firm's interest in receiving the custodian's services that benefit the firm's business rather than based on the client's interest in receiving the best value in custody services and the most favorable execution of client transactions. This is a potential conflict of interest. The firm believes, however, that the selection of the custodian as custodian and broker is in the best interest of clients. It is primarily supported by the scope, quality, and price of the custodian's services and not the custodian's services that benefit only the firm.

A.2. Brokerage for Client Referrals

T2 Asset Management does not engage in the practice of directing brokerage commissions in exchange for the referral of advisory clients.

A.3. Directed Brokerage**A.3.a. T2 Asset Management Recommendations**

T2 Asset Management typically recommends Schwab or Interactive Brokers as custodian for clients' funds and securities and to execute securities transactions on its clients' behalf.

A.3.b. Client-Directed Brokerage

Occasionally, clients may direct T2 Asset Management to use a particular broker-dealer to execute portfolio transactions for their account or request that certain types of securities not be purchased for their account. Clients who designate the use of a particular broker-dealer should be aware that they will lose any possible advantage T2 Asset Management derives from aggregating transactions. Such client trades are typically effected after the trades of clients who have not directed the use of a particular broker-dealer. T2 Asset Management loses the ability to aggregate trades with other T2 Asset Management advisory clients, potentially subjecting the client to inferior trade execution prices as well as higher commissions.

B. Aggregating Securities Transactions for Client Accounts**B.1. Best Execution**

T2 Asset Management, pursuant to the terms of its investment advisory agreement with clients, has discretionary authority to determine which securities are to be bought and sold, and the amount of such securities. T2 Asset Management recognizes that the analysis of execution quality involves a number of factors, both qualitative and quantitative. T2 Asset Management will follow a process in an attempt to ensure that it is seeking to obtain the most favorable

execution under the prevailing circumstances when placing client orders. These factors include but are not limited to the following:

- The financial strength, reputation and stability of the broker
- The efficiency with which the transaction is effected
- The ability to effect prompt and reliable executions at favorable prices (including the applicable dealer spread or commission, if any)
- The availability of the broker to stand ready to effect transactions of varying degrees of difficulty in the future
- The efficiency of error resolution, clearance and settlement
- Block trading and positioning capabilities
- Performance measurement
- Online access to computerized data regarding customer accounts
- Availability, comprehensiveness, and frequency of brokerage and research services
- Commission rates
- The economic benefit to the client
- Related matters involved in the receipt of brokerage services

Consistent with its fiduciary responsibilities, T2 Asset Management seeks to ensure that clients receive best execution with respect to clients' transactions by blocking client trades to reduce commissions and transaction costs. To the best of T2 Asset Management's knowledge, these custodians provide high-quality execution, and T2 Asset Management's clients do not pay higher transaction costs in return for such execution.

Commission rates and securities transaction fees charged to effect such transactions are established by the client's independent custodian and/or broker-dealer. Based upon its own knowledge of the securities industry, T2 Asset Management believes that such commission rates are competitive within the securities industry. Lower commissions or better execution may be able to be achieved elsewhere.

B.2. Security Allocation

Since T2 Asset Management may be managing accounts with similar investment objectives, T2 Asset Management may aggregate orders for securities for such accounts. In such event, allocation of the securities so purchased or sold, as well as expenses incurred in the transaction, is made by T2 Asset Management in the manner it considers to be the most equitable and consistent with its fiduciary obligations to such accounts.

T2 Asset Management's allocation procedures seek to allocate investment opportunities among clients in the fairest possible way, taking into account the clients' best interests. T2 Asset Management will follow procedures to ensure that allocations do not involve a practice of favoring or discriminating against any client or group of clients. Account performance is never a factor in trade allocations.

T2 Asset Management's advice to certain clients and entities and the action of T2 Asset Management for those and other clients are frequently premised not only on the merits of a particular investment, but also on the suitability of that investment for the particular client in light of his or her applicable investment objective, guidelines and circumstances. Thus, any action of T2 Asset Management with respect to a particular investment may, for a particular client, differ or be opposed to the recommendation, advice, or actions of T2 Asset Management to or on behalf of other clients.

B.3. Order Aggregation

Orders for the same security entered on behalf of more than one client will generally be aggregated (i.e., blocked or bunched) subject to the aggregation being in the best interests of all participating clients. Subsequent orders for the same security entered during the same trading day may be aggregated with any previously unfilled orders. Subsequent orders may also be aggregated with filled orders if the market price for the security has not materially changed and the aggregation does not cause any unintended duration exposure. All clients participating in each aggregated order will receive the average price and, subject to minimum ticket charges and possible step outs, pay a pro rata portion of commissions.

To minimize performance dispersion, "strategy" trades should be aggregated and average priced. However, when a trade is to be executed for an individual account and the trade is not in the best interests of other accounts, then the trade will only be performed for that account. This is true even if T2 Asset Management believes that a larger size block trade would lead to best overall price for the security being transacted.

B.4. Allocation of Trades

All allocations will be made prior to the close of business on the trade date. In the event an order is "partially filled," the allocation will be made in the best interests of all the clients in the order, taking into account all relevant factors including, but not limited to, the size of each client's allocation, clients' liquidity needs and previous allocations. In most cases, accounts will get a pro forma allocation based on the initial allocation. This policy also applies if an order is "over-filled."

T2 Asset Management acts in accordance with its duty to seek best price and execution and will not continue any arrangements if T2 Asset Management determines that such arrangements are no longer in the best interest of its clients.

Item 13: Review of Accounts

A. Schedule for Periodic Review of Client Accounts or Financial Plans and Advisory Persons Involved

Accounts are reviewed by the investment adviser representative servicing the client's account. The frequency of reviews is determined based on the client's investment objectives, but reviews are conducted no less frequently than annually. More frequent reviews may also be triggered by a change in the client's investment objectives, tax considerations, large deposits or withdrawals, large purchases or sales, loss of confidence in the underlying investment, or changes in macro-economic climate.

B. Review of Client Accounts on Non-Periodic Basis

T2 Asset Management may perform ad hoc reviews on an as-needed basis if there have been material changes in the client's investment objectives or risk tolerance, or a material change in how T2 Asset Management formulates investment advice.

C. Content of Client-Provided Reports and Frequency

The client's independent custodian provides account statements directly to the client no less frequently than quarterly. The custodian's statement is the official record of the client's securities account and supersedes any statements or reports created on behalf of the client by T2 Asset Management.

Additionally, clients will receive periodic (often quarterly) reports from T2 Asset Management that contain overall asset allocation, performance reports, commentary, and asset levels, as well as other documents that might assist in the client's understanding of their financial situation.

Item 14: Client Referrals and Other Compensation

A. Economic Benefits Provided to the Advisory Firm from External Sources and Conflicts of Interest

Other than what is disclosed in Item 12 regarding benefits the firm receives from its custodian(s), T2 Asset Management does not receive economic benefits for referring clients to third-party service providers.

B. Advisory Firm Payments for Client Referrals

T2 Asset Management does not pay for client referrals

Item 15: Custody

Under government regulations, T2 Asset Management is deemed to have custody of a client's assets if the client authorizes us to instruct their custodian to deduct our advisory fees directly from the client's account. The custodian maintains actual custody of clients' assets. Clients will receive at least quarterly account statements directly from their custodian containing a description of all activity, cash balances and portfolio holdings in the client's account. Clients are urged to compare billing statements provided by T2 Asset Management to the custodian statement for accuracy. Any discrepancies should be brought to the firm's attention. The custodian's statement is the official record of the account.

Item 16: Investment Discretion

Clients may grant a limited power of attorney to T2 Asset Management with respect to trading activity in their accounts by signing the appropriate custodian limited power of attorney form. In those cases, T2 Asset Management will exercise full discretion as to the nature and type of securities to be purchased and sold, and the amount of securities for such transactions.

Investment limitations may be designated by the client as outlined in the investment advisory agreement. We will work with clients to implement any reasonable investment restrictions on their investment accounts (e.g., social responsibility, environmentally friendly, religious-based, etc.). T2 Asset Management requires clients to provide all requests for investment restrictions in writing.

Item 17: Voting Client Securities

T2 Asset Management is authorized to vote proxy statements on behalf of all clients unless advised by a client that the client elects to vote his/her own proxy statements. T2 Asset Management owes certain fiduciary duties with respect to the voting of proxies. These fiduciary duties include (i) the duty of care which is required to monitor corporate events and to vote the proxies, and (ii) the duty of loyalty which is required to vote proxies in a manner consistent with the best interests of the client and to put the client's interests before its own interests. In keeping with its fiduciary duties, T2 Asset Management has adopted a Proxy Voting Policy, which sets forth policies and procedures designed to ensure that T2 Asset Management votes each client's securities in the best interests of the client.

T2 Asset Management will be authorized to take action and render any advice with respect to the voting of proxies for securities held in the client's account. T2 Asset Management will make an independent valuation for each applicable company held in the client's account in accordance with its fiduciary obligations as detailed in this policy. Clients may contact T2 Asset Management's Managing Member for information about how T2 Asset Management voted with respect to any of the securities held in their account.

As a general rule, T2 Asset Management will vote all proxies on behalf of clients only if authorized to do so in writing by the client. In voting any proxy relating to a particular proposal, all proxies will be voted the same way for all client accounts holding the security, and in accordance with management recommendations but subject to the following guidelines, which may cause T-2 Asset Management to vote proxies contrary to management recommendations:

- T-2 Asset Management supports the position that executive compensation should be voted on annually.
- T-2 Asset Management supports the position that the Chairman of the Board of Directors be an outside independent director.
- T-2 Asset Management opposes, as a general rule, proposals brought by outside third parties regarding social justice issues since such issues are largely outside the control of the Board of Directors and its designated management.

Clients may revoke T-2 Asset Management's authority to vote proxies on behalf of the client or instruct T-2 Asset Management to vote a specific proxy in a manner specified by the client (as opposed to how T-2 Asset Management is disposed to the such proxy), by informing T-2 Asset Management in writing of the client's desire to revoke proxy voting authority or to vote a specific proxy in accordance with the client's wishes, as the case may be.

Except as required by applicable law, T2 Asset Management will not be obligated to render advice or take any action on behalf of the client with respect to assets presently or formerly held in the client's account which become the subject of any legal proceedings, including bankruptcies and securities class action litigation.

When making proxy voting decisions, T2 Asset Management may seek advice or assistance from third-party consultants, such as proxy voting services or legal counsel. A copy of T2 Asset Management's Proxy Voting Policy will be provided upon receipt of a written request.

Item 18: Financial Information

A. Balance Sheet

T2 Asset Management does not require the prepayment of fees of \$1200 or more, six months or more in advance, and as such is not required to file a balance sheet.

B. Financial Conditions Reasonably Likely to Impair Advisory Firm's Ability to Meet Commitments to Clients

T2 Asset Management does not have any financial issues that would impair its ability to provide services to clients.

C. Bankruptcy Petitions During the Past Ten Years

There is nothing to report on this item.