

The Firm Incorporated

The Firm Incorporated (TFI)

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Item 1: Firm Brochure (Form ADV Part 2A)

This brochure provides information about the qualifications and business practices of TFI, Incorporated (TFI). If you have any questions about the contents of this brochure, please contact us at the phone number listed above. The information in this brochure has not been approved or verified by the United States Securities and Exchange Commission or any state securities authority. Registration (e.g., “registered investment adviser”) does not imply a certain level of skill or training.

Additional information about TFI, Inc also is available on the SEC’s website at www.adviserinfo.sec.gov.

Item 2: Material Changes

Pursuant to SEC rules, TFI, Inc. will ensure that clients receive a summary of any material changes to this and subsequent disclosure brochures within 120 days after TFI's fiscal year-end, December 31. This means that if there were any material changes over the past year, clients would receive a summary no later than April 30. At that time, TFI, Inc. will also offer a copy of its most current disclosure brochure and may provide other ongoing information about material changes as necessary. If there are no material changes over the past year, no notices will be sent.

Clients and prospective clients can always receive the most current disclosure brochure for TFI, Inc. at any time by contacting their investment adviser representative.

Since our last other than annual amendment filing, our firm has increased the amount of Assets Under Management in Item 4.

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Item 4 Advisory Business

Firm Description

TFI, Inc (“TFI” or “Adviser”) is an SEC-registered investment adviser. TFI was founded in June 2022.

The Principal Owner and Chief Compliance Officer of TFI is Mark Pacheco.

Types of Advisory Services

TFI offers various services, including portfolio management, investment analysis, and financial planning for high net-worth individuals and institutional clients TFI offers these services to clients or potential clients (“clients”).

Investment Advisory Services

TFI specializes in quantitative, fundamental, technical, and economic analysis to determine what investments favor TFI’s investment models. TFI assesses clients’ current holdings and ensures alignment with short- and long-term goals. TFI reviews investment performance and portfolio exposure to market conditions. Accordingly, TFI is authorized to perform various functions without further approval from the client, such as determining securities to be purchased or sold without prior permission from the client for each transaction. All trades are made in the client's best interest as part of TFI’s fiduciary duty. However, risk is inherent to any investment strategy and model. Therefore, TFI does not guarantee any results or returns.

Before engaging TFI to provide any investment advisory services, TFI requires a written financial service agreement (“FSA”) signed by the client before the engagement of any services. The FSA will outline the services to which the client is entitled and the fees the client will incur.

TFI is an asset-based fee investment management firm. TFI does not receive commissions for purchasing or selling stocks, bonds, mutual funds, real estate investment trusts, or other client-commissioned products. TFI is not affiliated with entities that sell financial products or securities. No commissions in any form are accepted.

TFI does not act as a custodian of client assets. The client always maintains asset control. TFI places trades for clients under a limited power of attorney through a qualified custodian/broker.

Financial Planning Services

Financial planning may include but is not limited to: investment planning, insurance planning, retirement planning, education planning, and debt/credit planning. These services are based on a fixed fee; the final fee structure is documented in the Financial Planning Agreement.

Services Tailored to Clients’ Needs

Services are provided based on a client’s specific needs within the scope of the services discussed above. A review of the information provided by the client regarding the client’s current financial

situation, goals, and risk tolerances will be performed, and advice that is in line with available information will be provided.

Wrap Fee Program versus Portfolio Management Program

TFI does not offer a Wrap Fee Program.

Assets Under Management

As of December 31st, 2022, Adviser has the following assets under management:

Discretionary assets: \$135,000,000
Non-discretionary assets: \$0

Item 5 Fees and Compensation

A. Fees and other charges

Individually Managed Accounts:

Fees for individually managed accounts are tier priced as follows:

<i>Account Size</i>	<i>Fee (Annual percentage)</i>
\$1,100,00 - \$2,500,000	1.00%
\$2,500,001 - \$5,000,000	0.75%
\$5,000,001 and above	0.50%

TFI's fees are negotiable, and TFI may charge a lesser investment advisory fee based upon specific criteria. (i.e., length of the relationship, types of assets, anticipated future additional assets, dollar amounts of assets to be managed, etc.)

The qualified custodian of record deducts all asset-based fees quarterly in Advance, or as indicated in the client agreement. Client statements for prior deductions will be provided quarterly.

All fees paid to the Adviser for investment advisory services are separate and distinct from the expenses charged by third-party managers and Investment Companies to their shareholders. These fees and costs are described to the client in separate disclosures. These fees will generally include third-party management fees, an Investment Company management fee, other fund expenses, and a possible distribution fee in some situations.

The Adviser will provide investment advisory services and portfolio management services but will not provide custodial or other administrative services. At no time will Adviser accept or maintain custody of a client's funds or securities except for authorized fee deduction. The Client may contact the

Custodian directly for disbursements or account record changes and may do so in writing to the custodian. The Adviser may act at the client's convenience to facilitate such written communications to the Custodian, provided that such action is not construed as custody of client assets.

The client is responsible for all custodial and securities execution fees charged by the custodian and executing broker-dealer. Fees paid to the Adviser are separate and distinct from the custodian and execution fees.

Clients may request to terminate their advisory contract with the Adviser, in whole or part, by providing advance written notice. Upon termination, any fees paid in advance will be prorated to the date of termination, and any excess will be refunded to the client through the Custodian. The client's advisory agreement with the Adviser is non-transferable without the Client's written approval.

Fee Deduction Disclosure

Where the Adviser deducts its management fee from client accounts utilizing a qualified custodian, the Adviser is required to meet the following requirements.

- a. Possess written authorization from the client to deduct advisory fees from an account held by a qualified custodian;
- b. TFI must send the qualified custodian a written invoice detailing the fee amount to be deducted from the client account; and,
- c. TFI must send the client a written invoice itemizing the fee; the invoice must detail any formulae used to calculate the fee, the period covered by the fee, and the amount of assets under management on which the fee was based. This may be included with the client's quarterly performance report.

Fixed Fees

Fixed fees are commensurate with asset-based fees and may be negotiated for investment services and are established as fixed fees where the intent of the client is that fees are not variable automatically with changes in asset values every quarter. TFI charges an hourly fee of \$500. Fixed fees are deducted and invoiced similarly to asset-based fees for investment services.

All fixed fees for services offered by TFI will be determined in advance based on the agreement between the client and TFI and based on the information provided by the client at that time.

Fixed fees paid in advance will be prorated to the date of termination, and the excess refunded to the client by check as soon as practicable. Where TFI may request a fee in advance, the amount paid in advance will not be more than \$1,200 per client and 6 months in advance. The remaining fixed fees will be paid after services are performed.

Performance-Based Fees

Occasionally clients may prefer a Performance-Based fee arrangement rather than an Asset-Based Fee

arrangement. Under a Performance-Based Fee arrangement, we may charge qualified clients fees of up to 20% of the account's net profits generated per calendar quarter, provided that such amount is only applied to the portion of the profits that exceeds any cumulative gains.

Under such arrangements, TFI will not earn a performance fee unless the Client's account value exceeds the previous high-water mark. During the first quarter after becoming a client, the performance fee for each Client, if any, is based on all returns above the initial value of the Client's account. The high-water mark is adjusted from time to time based on the following:

- The initial high-water mark will equal the client's initial capital contribution. Upon receiving additional capital contributions, the high-water mark will be increased by an equal amount.
- Upon a partial withdrawal, the high-water mark will be decreased by an equal amount.
- After the debit of adviser's fees at the end of a quarter, the client's high-water mark will be equal to the new account balance if a performance fee was earned that quarter.
- Upon request of a complete withdrawal, the gross profits will be calculated and deducted before the liquidation of the account.

Performance-based fees are billed every quarter, payable in arrears.

Right of Cancellation

In addition to the right to terminate an agreement pursuant to its terms, a client may cancel an agreement with the Adviser within five (5) business days of receiving a copy of this disclosure brochure and supplement without penalty or fee.

C. Third Party and Custodian Fees

Custodians may charge transaction fees on purchases or sales of securities. These transaction charges are usually small and incidental to the purchase or sale of a security. Clients not participating in the wrap fee program are responsible for all custodial and securities execution fees charged by the custodian and executing broker-dealer. Those fees are separate and distinct from the fees and expenses charged by TFI.

As part of our investment advisory services to you, we may invest, or recommend that you invest, in mutual funds and exchange-traded funds. The fees you pay to our firm for investment advisory services are separate and distinct from the fees and expenses charged by mutual funds or exchange-traded funds (described in each fund's prospectus) to their shareholders. These fees will generally include a management fee and other fund expenses.

For clients participating in the wrap fee program, TFI will wrap third-party fees (i.e., trading fees). TFI will charge clients a single fee and pay all trading fees using the fee collected from the client. However, clients are still responsible for all other account fees, including but not limited to annual IRA fees to the custodian, transition fees if the account is moved to/from another broker, mutual fund fees, or short-term redemption fees.

D. Prepayment of Fees

Adviser's Investment management fees are payable quarterly in advance, based on average daily balances with adjustments for additional deposits of funds, if any made in a quarter already billed, which will be billed in arrears at the beginning of the next quarter for the extra cash flow. Upon termination, any fees paid in advance will be prorated to the date of termination, Any excess will be refunded to the client by check issued to the customer as soon as practicable.

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

Performance-based fees are fees based on a share of capital gains or capital appreciation of a client's account. We may charge performance-based fees to "Qualified clients" who have a net worth greater than \$2,200,000 or those for whom we manage a minimum of \$1,100,000, from the beginning of our agreement for services.

Performance-based fee arrangements may create an incentive for TFI to recommend investments that may be riskier or more speculative than those investments that would be recommended under a different fee arrangement. To address this potential conflict of interest, we periodically review client accounts to ensure that assets are suitable and that the account is managed according to the client's investment objectives and risk tolerance.

The client must understand the Performance-Based-Fee method of compensation and its risks before entering into a management contract with us.

B. Side-by-Side Management and Potential Conflicts of Interest

We manage accounts that are charged performance-based fees while at the same time managing accounts (perhaps with similar objectives) that are not charged performance-based fees. This is referred to as "side-by-side management." The side-by-side management of accounts that pay performance-based fees and accounts that only pay an asset-based fee creates a conflict of interest because there is an inherent incentive for the Adviser to favor accounts with the potential to receive more significant fees. For example, we may be incentivized to allocate limited investment opportunities to clients who are charged performance-based fees over those who are charged asset-based fees only. To address this conflict of interest, we have instituted policies and procedures that require our firm to allocate investment opportunities (if they are suitable) to avoid favoritism among our clients, regardless of whether the client is charged performance fees.

Item 7 Types of Clients

TFI provides investment advice to many different types of clients. These clients generally include high net worth individuals, trusts, estates, corporations, and other types of business entities.

Minimum Account Size

TFI does require a minimum account size of \$1,100,000. Third-party managed programs generally have minimum account requirements, and these minimum requirements vary from manager to manager. Account minimums are usually higher on fixed-income accounts than equity-based accounts.

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

A. Methods of Analysis

TFI may use the following methods when considering investment strategies and recommendations.

Charting Review

Charting is a technical analysis that charts the patterns of stocks, bonds, and commodities to help determine to buy and sell recommendations for clients. It is a way of gathering and processing price and volume information in security by applying mathematical equations and plotting the resulting data onto graphs to predict future price movements. A graphical historical record assists the analyst in spotting the effect of critical events on a security's price, its performance over a period of time, and whether it is trading near its high, near its low, or in between. Chartists believe that recurring patterns of trading, commonly referred to as indicators, can help forecast future price movements.

Fundamental Review

Fundamental analysis is a method of evaluating a company or security by attempting to measure its intrinsic value. Fundamental analysis attempts to determine the actual value of a company or security by looking at all aspects of the company or security, including both tangible factors (e.g., machinery, buildings, land, etc.) and intangible factors (e.g., patents, trademarks, "brand" names, etc.). Fundamental analysis also involves examining related economic factors (e.g., overall economy and industry conditions, etc.), financial aspects (e.g., company debt, interest rates, management salaries, and bonuses, etc.), qualitative factors (e.g., management expertise, industry cycles, labor relations, etc.), and quantitative factors (e.g., debt-to-equity and price-to-equity ratios).

The end goal of performing fundamental analysis is to produce a value that an investor can compare with the security's current price to determine what sort of position to take with that security (e.g., if underpriced, the security should be bought; if overpriced, the security should be sold). Fundamental analysis uses actual data to evaluate a security's value. Although most analysts use fundamental analysis to value stocks, this method of valuation method can be used for many types of securities.

Technical Review

Technical analysis is a method of evaluating securities that analyze statistics generated by market activity, such as past prices and volume. Technical analysis does not attempt to measure a security's intrinsic value but instead uses past market data and statistical tools to identify patterns that can suggest future activity. Historical performance of securities and the markets can indicate future performance.

Cyclical Review

A cyclical analysis assumes the market reacts in reoccurring patterns that can be identified and leveraged to provide performance. Cyclical analysis of economic cycles is used to determine how these reoccurring patterns, or cycles, affect the returns of a given investment, asset, or company. The cyclical analysis is a time-based assessment that incorporates past and present performance to determine future value. Cyclical analyses exist because the broad economy has been shown to move in cycles, from periods of peak performance to periods of low performance. The risks of this strategy are two-fold: (1) the markets do not always repeat cyclical patterns; and (2) if too many investors begin to implement this strategy, it changes the very cycles of which they are trying to take advantage.

Economic Review

An economic analysis determines the economic environment over a specific time horizon. This involves following and updating historical economic data such as U.S. gross domestic product and consumer price index, as well as monitoring vital economic drivers such as employment, inflation, and money supply for the world's major economies.

B. Investment Strategies

When implementing investment advice to clients, TFI may employ various strategies to best pursue clients' objectives. Depending on market trends and conditions, TFI will employ any technique or strategy herein described, at TFI's discretion and in the client's best interests. TFI does not recommend any particular security or type of security. Instead, TFI makes recommendations to meet a specific client's financial objectives. There is an inherent risk to any investment, and clients may suffer a loss of ALL OR PART of their principal investment.

Long-Term Purchases

Long-term purchases are securities that are purchased with the expectation that the value will grow over a relatively long period, generally greater than one year. Long-term purchases may be affected by unforeseen changes in the company in which a client is invested or the overall market. Long-term trading is designed to capture market rates of both return and risk. Frequent trading can affect investment performance, mainly through increased brokerage, transaction costs, and taxes. Due to its nature, the long-term strategy can expose clients to various other types of risk that will typically surface at multiple intervals when the client owns the investments. These risks include but are not limited to, inflation (purchasing power) risk, interest rate risk, economic risk, and political/regulatory risk.

Short-Term Purchases.

Short-term purchases are purchased with the expectation that they will be sold within a relatively short period, generally less than one year, to take advantage of the securities' short-term price fluctuations. Short-term trading typically holds greater risk. Frequent trading can affect investment performance due to increased brokerage fees, other transaction costs, and taxes. These risks also include economic and political/regulatory risk

Strategic Asset Allocation

Asset allocation is a combination of several different types of investments; typically, this includes stocks, bonds, and cash equivalents among various asset classes to achieve diversification. The objective of asset allocation is to manage risk and market exposure while still positioning a portfolio to meet financial goals.

C. Risk of Loss

Investing inherently involves risk up to and including loss of the principal sum. Further, past the performance of any security is not necessarily indicative of future results. Therefore, the future performance of any specific investment or investment strategy based on past performance should not be assumed as a guarantee. TFI does not provide any representation or guarantee that clients' financial goals will be achieved.

The potential return or gain and risk or loss of investment vary, generally speaking, with the type of product invested. Below is an overview of the types of products available on the market and the associated risks each:

General Risks. Investing in securities always involves a risk of loss that you should be prepared to bear. We do not represent or guarantee that our services or analysis methods can or will predict future results, successfully identify market tops or bottoms, or insulate clients from losses due to market corrections or declines. We cannot offer guarantees or promises that your financial goals and objectives can or will be met. Past performance is in no way an indication of future performance. We also cannot assure that third parties will satisfy their obligations promptly or perform as expected or marketed.

General Market Risk. Investment returns will fluctuate based upon changes in the value of the portfolio securities. Specific securities held may be worth less than the price initially paid for them or less than they were worth earlier.

Common Stocks. Investments in common stocks, both directly and indirectly through investment in shares of ETFs, may fluctuate in value in response to many factors, including, but not limited to, the activities of the individual companies, general market, and economic conditions, interest rates, and specific industry changes. Such price fluctuations subject certain strategies to potential losses. During temporary or extended bear markets, the value of common stocks will decline, which could also result in losses for each strategy.

Portfolio Turnover Risk. High portfolio turnover rates could lower an investment strategy's performance due to increased costs and may result in the realization of capital gains. If an investment strategy realizes capital gains when it sells its portfolio investments, it will increase your taxable distributions. High portfolio turnover rates in a given year would likely result in short-term capital gains. Under current tax law, you would be taxed on short-term capital gains at ordinary income tax rates if held in a taxable account.

Unsystemic Risk. Some investment strategies may be non-diversified (e.g., investing a more significant percentage of portfolio assets in a particular issuer and owning fewer securities than a diversified strategy). Accordingly, each strategy is subject to the risk that a significant loss in an individual issuer will cause a greater loss than if the strategy held a more substantial number of securities or smaller position sizes.

Model Risk. Financial and economic data series are subject to regime shifts, meaning past information may lack value under future market conditions. Models are based upon assumptions that may prove invalid or incorrect in many market environments. We may use specific model outputs to help identify market opportunities and make certain asset allocation decisions.

There is no guarantee that any model will work under all market conditions. For this reason, we include model-related results as part of our investment decision process, but we often weigh professional judgment more heavily in making trades or asset allocations.

ETF Risks, including Net Asset Valuations and Tracking Error. An ETF's performance may not precisely match the performance of the index or market benchmark that the ETF is designed to track because 1) the ETF will incur expenses and transaction costs not incurred by any applicable index or market benchmark; 2) specific securities comprising the index or market benchmark tracked by the ETF may, from time to time, temporarily be unavailable; and 3) supply and demand in the market for either the ETF and for the securities held by the ETF may cause the ETF shares to trade at a premium or discount to the actual net asset value of the securities owned by the ETF. Certain specific ETF strategies may, from time to time, include the purchase of fixed income, commodities, foreign securities, American Depositary Receipts, or other securities for which expenses and commission rates could be higher than generally charged for exchange-traded equity securities and for which market quotations or valuation may be limited or inaccurate.

Clients should be aware that to the extent they invest in ETF securities, they will pay two levels of advisory compensation – advisory fees charged by the Adviser plus any advisory fees charged by the issuer of the ETF. This scenario may cause a higher advisory cost (and potentially lower investment returns) than if a Client purchased the ETF directly. An ETF typically includes embedded expenses that may reduce the ETF's net asset value and, therefore, directly affect the ETF's performance and indirectly affect a Client's portfolio performance or an index benchmark comparison. Expenses of the ETF may include investment adviser management fees, custodian fees, brokerage commissions, and legal and accounting fees. ETF expenses may change from time to time at the sole discretion of the ETF issuer. ETF tracking errors and costs may vary.

Inflation, Currency, and Interest Rate Risks. Security prices and portfolio returns will likely vary in response to changes in inflation and interest rates. Inflation causes the value of future dollars to be worth less and may reduce the purchasing power of an investor's future interest payments and principal. Inflation also generally leads to higher interest rates, which may cause the value of many

types of fixed-income investments to decline. In addition, the relative value of the U.S. dollar-denominated assets primarily managed by the Adviser may be affected by the risk that currency devaluations affect the Client's purchasing power.

Liquidity Risk. Liquidity is the ability to readily convert an investment into cash to prevent a loss, realize an anticipated profit, or otherwise transfer funds out of the particular investment. Generally, investments are more liquid if the investment has an established market of purchasers and sellers, such as a stock or bond listed on a national securities exchange. Conversely, assets that do not have an established market of purchasers and sellers may be considered illiquid. Your investment in illiquid investments may be for an indefinite time because of the lack of purchasers willing to convert your investment to cash or other assets.

Legislative and Tax Risk. Performance may directly or indirectly be affected by government legislation or regulation, which may include, but are not limited to: changes in investment adviser or securities trading regulation; change in the U.S. government's guarantee of the ultimate payment of principal and interest on specific government securities; and changes in the tax code that could affect interest income, income characterization and tax reporting obligations, particularly for options, swaps, master limited partnerships, Real Estate Investment Trust, Exchange Traded Products/Funds/Securities. We do not engage in tax planning; in certain circumstances, a Client may incur taxable income on their investments without a cash distribution to pay the due tax. Clients and their tax advisors are responsible for how the transactions in their accounts are reported to the IRS or any other taxing authority.

Foreign Investing and Emerging Markets Risk. Foreign investing involves risks not typically associated with U.S. investments, and the risks may be exacerbated further in emerging market countries. These risks may include, among others, adverse fluctuations in foreign currency values, as well as adverse political, social, and economic developments affecting one or more foreign countries.

In addition, foreign investing may involve less publicly available information and more volatile or less liquid securities markets, particularly in markets that trade a small number of securities, have unstable governments, or involve limited industry. Investments in foreign countries could be affected by factors not present in the U.S., such as restrictions on receiving the investment proceeds from a foreign country, foreign tax laws or tax withholding requirements, unique trade clearance or settlement procedures, and potential difficulties in enforcing contractual obligations or other legal rules that jeopardize shareholder protection. Foreign accounting may be less transparent than U.S. accounting practices, and foreign regulation may be inadequate or irregular.

Information Security Risk. We may be susceptible to risks to the confidentiality and security of its operations and proprietary and customer information. Information risks, including theft or corruption of electronically stored data, denial of service attacks on our website or websites of our third-party service providers, and the unauthorized release of confidential information, are a few of the more common risks faced by other investment advisers and us. Data security breaches of our electronic data infrastructure could disrupt our operations and compromise our customers' confidential and personally identifiable information. Such violations could result in our inability to conduct business, potential losses, including identity theft and theft of investment funds from customers, and other adverse consequences to customers. We have taken and will continue to take steps to detect and limit the risks associated with these threats.

Tax Risks. Tax laws and regulations applicable to an account with an Adviser may be subject to change, and an investor may incur unanticipated tax liabilities due to such changes. In addition, customers may experience adverse tax consequences from the early assignment of options purchased for a customer's account. Customers should consult their own tax advisers and counsel to determine the potential tax-related consequences of investing.

Advisory Risk. There is no guarantee that our judgment or investment decisions on behalf of any particular account will necessarily produce the intended results. Our judgment may prove incorrect, and an account might not achieve her investment objectives. In addition, we may experience a computer equipment failure, loss of internet access, viruses, or other events that may impair access to accounts' custodians' software. Adviser and its representatives are not responsible for any account for losses unless caused by Adviser breaching our fiduciary duty.

Dependence on Key Employees. An account's success depends, in part, upon the ability of our key professionals to achieve the targeted investment goals. The loss of any of these key personnel could adversely impact the ability to achieve such investment goals and objectives in the account ability to achieve such investment goals and objectives.

C. Adviser does not primarily recommend a particular type of security.

Item 9 Disciplinary Information

Registered investment advisers must disclose any legal or disciplinary events that are material to a client's or prospective client's evaluation of the advisory business or the integrity of TFI's management.

TFI has no disciplinary disclosures. Mark Pacheco, the owner, and operator of TFI, has no disciplinary disclosures.

Item 10 Other Financial Industry Activities and Affiliations

Registration as a Broker/Dealer or Broker/Dealer Representative

TFI is not registered and does not have an application pending to register as a broker-dealer, and its management persons are not registered as broker/dealer representatives.

Registration as a Futures Commission Merchant, Commodity Pool Operator

TFI and its management persons are not registered and do not have applications pending to register as a futures commission merchant or commodity pool operator/adviser.

Relationships Material to this Advisory Business and Possible Conflicts of Interest

Describe any relationship or arrangement that is material to TFI's advisory business or your clients that TFI or any of its management persons have with any related person listed below. Identify the related

person and if the relationship or arrangement creates a material conflict of interest with clients, describe the nature of the conflict and how you address it.

Selection of other Advisers

TFI does not recommend or select other investment advisers for its clients.

Item 11 Code of Ethics, Conflicts of Interest, and Personal Trading

A. Fiduciary Status

According to SEC law, an investment adviser is considered a fiduciary. As a fiduciary, an investment adviser is responsible for providing fair and full disclosure of all material facts. In addition, an investment adviser has a duty of utmost good faith to act solely in the best interest of each of its clients. TFI and its representatives have a fiduciary duty to all clients.

TFI and its representative's fiduciary duty to clients are considered the core underlying principle for TFI's Code of Ethics and represent the expected basis for all representatives' dealings with clients. TFI is responsible for ensuring that clients' interests are placed ahead of its or its representatives' investment interests. All representatives will conduct business honestly, ethically, and fairly. All representatives will comply with all federal and state securities laws. Full disclosure of all material facts and potential conflicts of interest will be provided to clients before services are conducted. All representatives are responsible for avoiding circumstances that might negatively affect or appear to affect the representatives' duty of complete loyalty to their clients.

B. Participation or Interest in Client Transactions

Neither our firm nor any persons associated with our firm have any material financial interest in client transactions beyond the provision of investment advisory services as disclosed in this brochure.

C. Personal Trading Practices

Adviser and its investment advisory representatives may, from time to time, purchase or sell products or investments they may recommend to clients. The adviser has adopted a Code of Ethics that sets forth the basic ethical conduct policies for all the adviser's managers, officers, and employees.

In addition, the Code of Ethics governs personal trading by each employee of Adviser deemed to be an Access Person and is intended to ensure that securities transactions effected by Access Persons of Adviser are conducted in a manner that avoids any actual or potential conflict of interest between such persons and clients of the adviser or its affiliates.

Adviser collects and maintains records of securities holdings and transactions affected by Access Persons. These records are reviewed to identify and resolve potential conflicts of interest. Adviser's Code of Ethics is available upon request.

D. Trading Securities At/Around Same Time as Client Transactions

Please see the response to 11c above.

Item 12 Brokerage Practices

A. Selection and Recommendation

TFI has a duty to select brokers, dealers, and other trading venues that provide the best execution for clients. The duty of best execution requires an investment adviser to seek to execute securities transactions for clients in such a manner that the client's total cost or proceeds in each transaction is the most favorable under the circumstances, considering all relevant factors. The lowest possible commission, while very important, is not the only consideration. Currently, TFI does not have a relationship with any broker-dealer.

It is the policy of TFI to seek the best execution in all portfolio trading activities for all investment disciplines and products, regardless of whether commissions are charged. This applies to trading in any instrument, security, or contract, including equities, bonds, and forward or derivative contracts.

The standards and procedures governing best execution are outlined in several written policies. Generally, to achieve the best execution, TFI considers the following factors, without limitation, in selecting brokers and intermediaries:

- Execution capability;
- Order size and market depth;
- Availability of competing markets and liquidity;
- Trading characteristics of the security;
- Availability of accurate information comparing markets;
- Quantity and quality of research received from the broker-dealer;
- Financial responsibility of the broker-dealer;
- Confidentiality;
- Reputation and integrity;
- Responsiveness;
- Recordkeeping;
- Ability and willingness to commit capital;
- Available technology; and
- Ability to address current market conditions.

TFI evaluates the execution, performance, and risk profile of the broker-dealers it uses at least quarterly.

B. Research and Other Soft Dollar Benefits

Soft dollar practices are arrangements whereby an investment adviser directs transactions to a broker-dealer in exchange for certain products and services that are allowable under SEC rules. Client

commissions may be used to pay for brokerage and research services and products as long as they are eligible under Section 28(e) of the Exchange Act of 1934. Section 28(e) sets forth a “safe harbor,” which provides that an investment adviser that has discretion over a client account is not in breach of its fiduciary duty when paying more than the lowest commission rate available if the adviser determines in good faith that the rate paid is commensurate with the value of brokerage and research services provided by the broker-dealer.

TFI does not currently have any soft dollar benefit arrangements.

C. Brokerage for Client Referrals

TFI does not receive client referrals from third parties for recommending the use of specific broker-dealer brokerage services.

D. Directed Brokerage

Securities transactions are executed by brokers selected by TFI at its discretion and without clients' consent. TFI generally will not recommend, request, or require clients to direct TFI to execute transactions through a specified broker-dealer. Not all investment advisers require their clients to direct brokerage.

E. Order Aggregation

TFI may, at times, aggregate sale and purchase orders of securities (“block trading”) for advisory accounts with similar orders to obtain the best pricing averages and minimize trading costs. This practice is likely to result in administrative convenience or an overall economic benefit to the client. Clients also benefit relatively from better purchase or sale execution prices, beneficial timing of transactions, or a combination of these and other factors. Aggregate orders will be allocated to client accounts in a systematic non-preferential manner. TFI may aggregate or “bunch” transactions for a client’s account with those of other clients to obtain the best execution under the circumstances.

F. Trade Error Policy

TFI maintains a record of any trading errors that occur in connection with the investment activities of its clients. Gains and losses that result from a trading error made by TFI will be borne or realized by TFI.

Item 13 Review of Accounts

A. Periodic Reviews

TFI regularly reviews and evaluates client accounts for compliance with each client’s investment objectives, policies, and restrictions. TFI analyzes rates of return and allocation of assets to determine

model strategy effectiveness. Such reviews are conducted by the Chief Compliance Officer of TFI and shall occur at least once per calendar year.

B. Periodic Review Factors

Periodic reviews may be triggered by substantial market fluctuation, economic or political events, or changes in the client's financial status (such as retirement, termination of employment, relocation, inheritance, etc.). Clients are advised to notify TFI promptly if there are any material changes in their financial situation, investment objectives, or in the event they wish to place restrictions on their account.

C. Reports

Clients may receive confirmations of purchases and sales in their accounts and at least quarterly statements containing account information such as account value, transactions, and other relevant information. Confirmations and statements are prepared and delivered by the custodian.

D. Financial Plans

All financial planning accounts are reviewed upon financial plan creation and plan delivery by Mark Pacheco. There are multiple levels of review for each financial plan. Each financial planning client will receive the financial plan upon completion.

Item 14 Client Referrals and Other Compensation

A. Other Compensation

The adviser will not receive any economic benefit from another person or entity for soliciting or referring clients.

B. Client Referrals

The Adviser will not pay another person or entity for referring or soliciting clients for the Adviser.

Item 15 Custody

A. Custodian of Assets

Custody means holding, directly or indirectly, client funds or securities or having any authority to possess them.

TFI does not have direct custody of any client funds and securities. TFI will not maintain physical possession of client funds and securities. Instead, clients' funds and securities are held by a qualified custodian.

While TFI does not have physical custody of client funds or securities, payments of fees may be paid by the custodian from the custodial brokerage account that holds client funds pursuant to the client's account application.

In certain jurisdictions, the ability of TFI to withdraw its management fees from the client's account may be deemed custody. Before permitting direct debit of fees, each client provides written authorization permitting fees to be paid directly from the custodian.

As part of the billing process, the client's custodian is advised of the amount of the fee to be deducted from that client's account. On at least a quarterly basis, the custodian must send the client a statement showing all transactions within the account during the reporting period. The custodian does not calculate the amount of the fee to be deducted and does not verify the accuracy of TFI's advisory calculation. Therefore, it is essential for clients to carefully review their custodial statements to verify the accuracy of the calculation. Clients should contact TFI directly if they believe that there may be an error in their statement.

TFI does not currently have agreements with any particular custodian.

Item 16 Investment Discretion

TFI may exercise full discretionary authority to supervise and direct the investments of a client's account. Clients will grant this authority upon completion of TFI's FSA. This authority allows TFI and its affiliates to implement investment decisions without prior consultation with the client. Such investment decisions are made in the client's best interest and following the client's investment objectives. Other than agreed-upon management fees due to TFI, this discretionary authority does not grant TFI the authority to have custody of any assets in the client's account or to direct the delivery of any securities or the payment of any funds held in the account to TFI. The discretionary authority granted by the client to TFI does not allow TFI to direct the disposition of such securities or funds to anyone except the account holder.

Item 17 Voting Client Securities

TFI does not perform proxy voting services on the client's behalf. Clients are encouraged to read through the information provided with the proxy voting documents and decide based on the information provided. Upon the client's request, Firm representatives may provide limited clarifications of the issues presented in the proxy voting materials based on their understanding of issues raised in the proxy voting materials. However, clients have the ultimate responsibility for making all proxy voting decisions.

Item 18 Financial Information

A. Balance Sheet Requirement

The Firm Incorporated

TFI is not the qualified custodian for client funds or securities and does not require prepayment of fees of more than \$1200 per client, six (6) months or more in advance.

B. Financial Condition

TFI has no financial impairment that would preclude TFI from meeting contractual commitments to clients.

C. Bankruptcy Petition

TFI has not been the subject of a bankruptcy petition during the last ten years.