

**Turnkeough Wealth Management, Inc.**

## **Firm Brochure - Form ADV Part 2A**

*This brochure provides information about the qualifications and business practices of Turnkeough Wealth Management, Inc. (TWMINC). If you have any questions about the contents of this brochure, please contact us at (312) 576-3855 or by email at: [paul.keough@turnkeough.com](mailto:paul.keough@turnkeough.com). The information in this brochure has not been approved or verified by the United States Securities and Exchange Commission or by any state securities authority.*

*Additional information about Turnkeough Wealth Management, Inc. is also available on the SEC's website at [www.adviserinfo.sec.gov](http://www.adviserinfo.sec.gov). Turnkeough Wealth Management, Inc.'s CRD number is: 286105.*

5010 Fairview Ave, #2  
Downers Grove, IL 60515

Office: 1-630-297-8404  
Mobile: 1-312-576-3855  
[paul.keough@turnkeough.com](mailto:paul.keough@turnkeough.com)

*Registration does not imply a certain level of skill or training.*

Version Date: 02/08/2022

## **Item 2: Material Changes**

The material changes in this brochure from the last annual updating amendment of Turnkeough Wealth Management, Inc. on January 14, 2021 are described below. Material changes relate to Turnkeough Wealth Management, Inc.'s policies, practices or conflicts of interests.

1. Turnkeough Wealth Management, Inc. has added Foundations Investment Advisors, LLC as a third-party investment adviser (Items 5).
2. Turnkeough Wealth Management, Inc. has added written acknowledgement of fiduciary status language (Item 4).

## Item 3: Table of Contents

Item 1: Cover Page	
Item 2: Material Changes.....	ii
Item 3: Table of Contents.....	iii
Item 4: Advisory Business.....	2
A. Description of the Advisory Firm.....	2
B. Types of Advisory Services.....	2
C. Client Tailored Services and Client Imposed Restrictions .....	4
D. Wrap Fee Programs.....	5
E. Assets Under Management.....	5
Item 5: Fees and Compensation.....	5
A. Fee Schedule.....	5
B. Payment of Fees.....	8
C. Client Responsibility For Third Party Fees.....	9
D. Prepayment of Fees .....	9
E. Outside Compensation for the Sale of Securities to Clients .....	10
Item 6: Performance-Based Fees and Side-By-Side Management .....	10
Item 7: Types of Clients .....	11
Item 8: Methods of Analysis, Investment Strategies, & Risk of Loss .....	11
A. Methods of Analysis and Investment Strategies.....	11
B. Material Risks Involved .....	12
C. Risks of Specific Securities Utilized .....	14
Item 9: Disciplinary Information .....	15
A. Criminal or Civil Actions.....	15
B. Administrative Proceedings .....	16
Self-regulatory Organization (SRO) Proceedings.....	16
Item 10: Other Financial Industry Activities and Affiliations.....	16
A. Registration as a Broker/Dealer or Broker/Dealer Representative .....	16
B. Registration as a Futures Commission Merchant, Commodity Pool Operator, or a Commodity Trading Advisor .....	16
C. Registration Relationships Material to this Advisory Business and Possible Conflicts of Interests.....	16
D. Selection of Other Advisers or Managers and How This Adviser is Compensated for Those Selections .....	17
Item 11: Code of Ethics, Participation or Interest in Client Transactions and Personal Trading.....	17
A. Code of Ethics.....	17
B. Recommendations Involving Material Financial Interests .....	17

C.	Investing Personal Money in the Same Securities as Clients.....	17
D.	Trading Securities At/ Around the Same Time as Clients' Securities .....	18
Item 12:	Brokerage Practices.....	18
A.	Factors Used to Select Custodians and/or Broker/Dealers .....	18
1.	Research and Other Soft-Dollar Benefits .....	18
2.	Brokerage for Client Referrals .....	19
3.	Clients Directing Which Broker/Dealer/Custodian to Use .....	19
B.	Aggregating (Block) Trading for Multiple Client Accounts .....	19
Item 13:	Review of Accounts.....	19
A.	Frequency and Nature of Periodic Reviews and Who Makes Those Reviews.....	19
B.	Factors That Will Trigger a Non-Periodic Review of Client Accounts.....	20
C.	Content and Frequency of Regular Reports Provided to Clients.....	20
Item 14:	Client Referrals and Other Compensation .....	20
A.	Economic Benefits Provided by Third Parties for Advice Rendered to Clients (Includes Sales Awards or Other Prizes) .....	20
B.	Compensation to Non – Advisory Personnel for Client Referrals.....	20
Item 15:	Custody.....	20
Item 16:	Investment Discretion .....	21
Item 17:	Voting Client Securities (Proxy Voting).....	21
Item 18:	Financial Information.....	21
A.	Balance Sheet .....	21
B.	Financial Conditions Reasonably Likely to Impair Ability to Meet Contractual Commitments to Clients .....	21
C.	Bankruptcy Petitions in Previous Ten Years .....	21
Item 19:	Requirements For State Registered Advisers .....	22
A.	Principal Executive Officers and Management Persons; Their Formal Education and Business Background .....	22
B.	Other Businesses in Which This Advisory Firm or its Personnel are Engaged and Time Spent on Those (If Any).....	22
C.	Calculation of Performance-Based Fees and Degree of Risk to Clients .....	22
D.	Material Disciplinary Disclosures for Management Persons of this Firm .....	23
E.	Material Relationships That Management Persons Have with Issuers of Securities (If Any).....	23

## Item 4: Advisory Business

### A. Description of the Advisory Firm

Turnkeough Wealth Management Inc. (hereinafter "Turnkeough") was incorporated on November 29, 2016 in the state of Illinois. The Principal is Paul Keough and in 2017 began to provide investment advisory services to clients.

### B. Types of Advisory Services

#### *Portfolio Management Services*

Turnkeough offers ongoing portfolio management services based on the individual goals, objectives, time horizon, and risk tolerance of each client. Turnkeough creates an Investment Policy Statement for each client, which outlines the client's current situation (income, tax levels, and risk tolerance levels) and then constructs a plan to aid in the selection of a portfolio that matches each client's specific situation. Portfolio management services include, but are not limited to, the following:

- Investment strategy
- Asset allocation
- Risk tolerance
- Personal investment policy
- Asset selection
- Regular portfolio monitoring

Turnkeough evaluates the current investments of each client with respect to their risk tolerance levels and time horizon. Turnkeough will request discretionary authority from clients in order to select securities and execute transactions without permission from the client prior to each transaction. Risk tolerance levels are documented in the Investment Policy Statement, which is given to each client.

Turnkeough seeks to provide that investment decisions are made in accordance with the fiduciary duties owed to its accounts and without consideration of Turnkeough's economic, investment or other financial interests. To meet its fiduciary obligations, Turnkeough attempts to avoid, among other things, investment or trading practices that systematically advantage or disadvantage certain client portfolios, and accordingly, Turnkeough's policy is to seek fair and equitable allocation of investment opportunities/transactions among its clients to avoid favoring one client over another over time. It is Turnkeough's policy to allocate investment opportunities and transactions it identifies as being appropriate and prudent, including initial public offerings ("IPOs") and other investment opportunities that might have a limited supply, among its clients on a fair and equitable basis over time.

### ***Subadvisor Services***

Turnkeough may also act as a subadvisor to advisers unaffiliated with Turnkeough. These third-party advisers would outsource portfolio management services to Turnkeough. This relationship will be memorialized in each contract between Turnkeough and the third-party adviser. All sub-advisors will be registered where clients reside.

### ***Pension Consulting Services***

Turnkeough offers consulting services to pension or other employee benefit plans (including but not limited to 401(k) plans). Pension consulting may include, but is not limited to:

- Identifying investment objectives and restrictions
- Providing guidance on various assets classes and investment options
- Recommending money managers to manage plan assets in ways designed to achieve objectives
- Monitoring performance of money managers and investment options and making recommendations for changes
- Recommending other service providers, such as custodians, administrators and broker-dealers
- Creating a written pension consulting plan

These services are based on the goals, objectives, demographics, time horizon, and/or risk tolerance of the plan and its participants.

### ***Financial Planning***

Financial plans and financial planning may include, but are not limited to: investment planning; life insurance; tax concerns; retirement planning; college planning; and debt/credit planning. Investment planning involves working with clients to make sure their investments match their respective risk tolerance and goals. Tax concerns are addressed by working with the client to determine and compare effective tax rates for income, capital gains and other earnings or investments, then attempting to allocate the client's resources accordingly. Life insurance planning entails reviewing the life insurance and/or disability insurance needs of the client, together with any applicable dependents, spouse or other relatives, and assessing appropriate coverage for these individuals. College planning entails helping clients save for higher education, whether for the client or his/her children or other dependents, in the ideal manner to suit the client's overall financial goals and means. Financial planning to address retirement entails making sure clients are financially equipped for retirement considering the client's anticipated income and expenses, investments, and other assets. Debt/credit planning consists of breaking down client budgets and aiding clients in decision-making as to current debt, anticipated significant expenses and potential debt, and avoiding excessive debt.

Financial planning services are offered to all clients of Turnkeough and it is anticipated that each of these services will take approximately 2-4 hours of financial planning. These services are based on hourly fees and the final fee structure is documented in Exhibit II of the Financial Planning Agreement.

### ***Subscription Services***

Turnkeough provides a newsletter for a fee that will offer recommendations on purchasing and selling specific securities, sectors, asset classes, or other specific groupings of securities at a stated time.

### ***Services Limited to Specific Types of Investments***

Turnkeough generally limits its investment advice to mutual funds, fixed income securities, insurance products including annuities, equities, ETFs (including ETFs in the gold and precious metal sectors), treasury inflation protected/inflation linked bonds, non-U.S. securities, venture capital funds and private placements. Turnkeough may use other securities as well to help diversify a portfolio when applicable.

### ***Written Acknowledgement of Fiduciary Status***

When we provide investment advice to you regarding your retirement plan account or individual retirement account, we are fiduciaries within the meaning of Title I of the Employee Retirement Income Security Act and/or the Internal Revenue Code, as applicable, which are laws governing retirement accounts. The way we make money creates some conflicts with your interests, so we operate under a special rule that requires us to act in your best interest and not put our interest ahead of yours. Under this special rule's provisions, we must:

- Meet a professional standard of care when making investment recommendations (give prudent advice);
- Never put our financial interests ahead of yours when making recommendations (give loyal advice);
- Avoid misleading statements about conflicts of interest, fees, and investments;
- Follow policies and procedures designed to ensure that we give advice that is in your best interest;
- Charge no more than is reasonable for our services; and
- Give you basic information about conflicts of interest.

## **C. Client Tailored Services and Client Imposed Restrictions**

Turnkeough will tailor a program for each individual client. This will include an interview session to get to know the client's specific needs and requirements as well as a plan that will be executed by Turnkeough on behalf of the client. Turnkeough may use model allocations together with a specific set of recommendations for each client based on their personal restrictions, needs, and targets. Clients may impose restrictions in investing in

certain securities or types of securities in accordance with their values or beliefs. However, if the restrictions prevent Turnkeough from properly servicing the client account, or if the restrictions would require Turnkeough to deviate from its standard suite of services, Turnkeough reserves the right to end the relationship.

#### **D. Wrap Fee Programs**

A wrap fee program is an investment program where the investor pays one stated fee that includes management fees, transaction costs, and certain other administrative fees. Turnkeough recommends AE Wealth Management which in turn manages a wrap fee program. Turnkeough's direct portfolio management is not performed under a wrap fee program.

#### **E. Assets Under Management**

Turnkeough has the following assets under management:

<b>Discretionary Amounts:</b>	<b>Non-discretionary Amounts:</b>	<b>Date Calculated:</b>
\$ 11,375,750.00	\$ .00	December 2021

### **Item 5: Fees and Compensation**

Unless a client has received the firm's disclosure brochure at least 48 hours prior to signing the investment advisory contract, the investment advisory contract may be terminated by the client within five (5) business days of signing the contract without incurring any advisory fees.

#### **A. Fee Schedule**

##### *Portfolio Management Fees*

<b>Total Assets Under Management</b>	<b>Annual Fees</b>
All Assets	1.00%

The advisory fee is calculated using the value of the assets on the last business day of the prior billing period.

These fees are generally negotiable and the final fee schedule is attached as Exhibit II of the Investment Advisory Contract. Clients may terminate the agreement without penalty for a full refund of Turnkeough's fees within five business days of signing the Investment Advisory Contract. Thereafter, clients may terminate the Investment Advisory Contract generally with 30 days' written notice.

Fees are negotiable.

### ***Performance-Based Fees for Portfolio Management***

Qualified clients will pay an annual fee of 2.00% of assets under management along with a 20.00% performance fee based on capital appreciation. If the client's portfolio rises in value, the client will pay 20.00% on that increase in value, but if the portfolio drops in value, the client will not incur a new performance fee until the portfolio reaches the last highest value, adjusted for withdrawals and deposits, which is generally known as a "high water mark." These fees are negotiable.

The high-water mark will be the highest value of the client's account on the last day of any previous year, after accounting for the client's deposits or withdrawals for each billing period.

These fees are generally negotiable and the final fee schedule is attached as Exhibit II of the Investment Advisory Contract. This service may be canceled with 30 days' notice. Clients must pay the prorated performance-based fees for the billing period in which they terminate the Investment Advisory Contract up to and including the day of termination.

Qualified clients are charged performance fees based on net profits above a mutually agreed upon high water mark. "Qualified Client" means:

- (i) A natural person who or a company that immediately after entering the contract has at least \$1,000,000 under the management of the investment adviser;
- (ii) A natural person who or a company that the investment adviser entering into the contract (and any person acting on his behalf) reasonably believes, immediately prior to entering into the contract, either: (a) Has a net worth (together, in the case of a natural person, with assets held jointly with a spouse) of more than \$2,200,000 (excluding the value of the client's primary residence) at the time the contract is entered into; or (b) Is a qualified purchases as defined in section 2(a)(51)(AA) of the Investment Company Act of 1940 (15U.S.C. 80a-2(51)(A)) at the time the contract is entered into; or
- (iii) A natural person who immediately prior to entering into the contract is: (a) An executive officer, director, trustee, general partner or person serving in similar capacity, of the investment adviser; or (b) An employee of the investment adviser (other than an employee performing solely clerical, secretarially or administrative functions with regard to the investment adviser) who, in connection with his or her regular functions or duties, participates in the investment activities of such investment adviser, provided that such employee has been performing such functions and duties for or on behalf of the investment adviser, or substantially similar functions or duties for or on behalf of another company for at least 12 months.

“Qualified Client” for Indiana clients means:

- (1) A natural person or a company who immediately after entering into the contract has at least five hundred thousand dollars (\$500,000) under the management of the investment adviser.
- (2) A person who the investment adviser and its investment adviser representatives reasonably believe, immediately before entering into the contract, is a natural person or a company whose net worth, at the time the contract is entered into, exceeds one million dollars(\$1,100,000). The net worth of a natural person may include assets held jointly with that person’s spouse.

***Subadviser Services Fees***

Turnkeough may also act as a subadviser to unaffiliated third-party advisers and Turnkeough would receive a share of the fees collected from the third-party adviser’s client. The fees charged will not exceed any limit imposed by any regulatory agency. The notice of termination requirement and payment of fees for subadviser services will depend on the specific third-party investment adviser engaging Turnkeough as subadviser. This relationship will be memorialized in each contract between Turnkeough and each third-party adviser. The fees will not exceed any limit imposed by any regulatory agency, and these fees are negotiable

AE Wealth Management LLC

Total Assets	Turnkeough’s Fee	AE Wealth’s Fee	Total Fee
All Assets	1.00%	0.50%	1.50%

Foundations Investment Advisors, LLC

Total Assets	Turnkeough’s Fee	Foundation’s Fee	Total Fee
\$25,000 - \$10,000,000	1.00%	0.50%	1.50%

***Pension Consulting Services Fees***

**Asset-Based Fees for Pension Consulting**

Total Assets Under Management	Annual Fee
All Assets	1.00%

The advisory fee is calculated using the value of the assets on the last business day of the prior billing period

These fees are generally negotiable and the final fee schedule is attached as Exhibit II of the pension consulting agreement.

Clients may terminate the agreement without penalty for a full refund of Turnkeough's fees within five business days of signing the Investment Advisory Contract. Thereafter, clients may terminate the pension consulting agreement generally with 30 days' written notice. Turnkeough bills based on the balance on the first day of the billing period

### *Financial Planning Fees*

#### **Fixed Fees**

The negotiated fixed rate for creating client financial plans is between \$500 and \$2,000. Fixed fees relate to financial plans and financial planning that may include, without limitation: investment planning; life insurance; tax concerns; retirement planning; college planning; and debt/credit planning, each service as further detailed above.

It is anticipated that each financial planning service listed above will take approximately 2-4 hours of financial planning and therefore the time to complete a financial plan will depend on the services required by the client. For example, the financial plan for a client requiring only investment planning, retirement, and life insurance planning will usually require 6-12 hours.

The fees are negotiable and the final fee schedule will be attached as Exhibit II of the Financial Planning Agreement. Turnkeough and the client will ultimately determine the negotiated fixed fee depending on the specific financial planning services (listed above) that the client requires, the need to take into account dependents or other individuals, the diversity of client assets to be addressed by the financial plan, as well as conversations with the client. Fixed fees will be offered to all clients. Clients may terminate their contracts without penalty within five business days of signing the advisory contract.

#### *Subscription Fees*

Turnkeough offers a quarterly subscription newsletter, "Turnkeough Insights," that costs \$795 annually, due annually. This newsletter will be provided via postal mail or electronic mail and may be cancelled by giving 30 days' written notice.

### **B. Payment of Fees**

#### *Payment of Portfolio Management Fees*

Asset-based portfolio management fees are withdrawn directly from the client's accounts with client's written authorization on a quarterly basis. Fees are paid in advance.

### ***Payment of Performance-Based Portfolio Management Fees***

Performance-based portfolio management fees are withdrawn directly from the client's accounts with client's written authorization on a quarterly basis. Fees are paid in arrears.

### ***Payment of Pension Consulting Fees***

Asset-based pension consulting fees are withdrawn directly from the client's accounts with client's written authorization on a quarterly basis. Fees are paid in advance.

### ***Payment of Subadviser Fees***

Subadviser fees may be withdrawn from clients' accounts and pays each party third party and Turnkeough its portion of payment of fees or clients may be invoiced for such fees, as disclosed in each contract between Turnkeough and the applicable third-party adviser. Turnkeough and Sub-adviser bill monthly, in arrears, on the average daily balance calculated based upon the previous calendar month.

### ***Payment of Financial Planning Fees***

Financial planning fees are paid via check, cash and wire.

Fixed financial planning fees are paid 50% in advance, but never more than six months in advance, with the remainder due upon presentation of the plan.

### ***Payment of Subscription Fees***

Subscription fees are paid via check, cash and wire. Fees are paid in advance. Periodical and newsletter fees are paid annually.

## **C. Client Responsibility For Third Party Fees**

Clients are responsible for the payment of all third-party fees (i.e. custodian fees, brokerage fees, mutual fund fees, transaction fees, etc.). Those fees are separate and distinct from the fees and expenses charged by Turnkeough. Please see Item 12 of this brochure regarding broker-dealer/custodian.

## **D. Prepayment of Fees**

Turnkeough collects certain fees in advance and certain fees in arrears, as indicated above. Refunds for fees paid in advance will be returned within fourteen days to the client via check, or return deposit back into the client's account.

For all asset-based fees paid in advance, the fee refunded will be equal to the balance of the fees collected in advance minus the daily rate\* times the number of days elapsed in

the billing period up to and including the day of termination. (\*The daily rate is calculated by dividing the annual asset-based fee rate by 365.)

Fixed fees that are collected in advance will be refunded based on the prorated amount of work completed at the point of termination.

Unearned subscription fees will be refunded to the date of cancellation.

### **E. Outside Compensation for the Sale of Securities to Clients**

Neither Turnkeough nor its supervised persons accept any compensation for the sale of investment products, including asset-based sales charges or service fees from the sale of mutual funds.

## **Item 6: Performance-Based Fees and Side-By-Side Management**

Turnkeough manages accounts that are billed on performance-based fees (a share of capital gains on or capital appreciation of the assets of a client) and may as well manage accounts that are not billed on performance-based fees. Managing both kinds of accounts at the same time presents a conflict of interest because Turnkeough and/or its supervised persons have an incentive to favor accounts for which Turnkeough receives a performance-based fee. Turnkeough addresses the conflicts by ensuring that clients are not systematically advantaged or disadvantaged due to the presence or absence of performance-based fees. Turnkeough seeks best execution and upholds its fiduciary duty for all clients. Clients paying a performance-based fee should be aware that investment advisers have an incentive to invest in riskier investments when paid a performance-based fee due to the higher risk/higher reward attributes.

Qualified clients are charged performance fees based on net profits above a mutually agreed upon high water mark. "Qualified Client" means:

- (iv) A natural person who or a company that immediately after entering into the contract has at least \$1,100,000 under the management of the investment adviser;
- (v) A natural person who or a company that the investment adviser entering into the contract (and any person acting on his behalf) reasonably believes, immediately prior to entering into the contract, either: (a) Has a net worth (together, in the case of a natural person, with assets held jointly with a spouse) of more than \$2,200,000 (excluding the value of the client's primary residence) at the time the contract is entered into; or (b) Is a qualified purchases as defined in section 2(a)(51)(AA) of the Investment Company Act of 1940 (15U.S.C. 80a-2(51)(A)) at the time the contract is entered into; or
- (vi) A natural person who immediately prior to entering into the contract is: (a) An executive officer, director, trustee, general partner or person serving in similar capacity, of the investment adviser; or (b) An employee of the investment adviser (other than an employee performing solely clerical, secretarial or administrative functions with regard to the investment adviser) who, in connection with his or her regular functions or duties, participates in the investment activities of such

investment adviser, provided that such employee has been performing such functions and duties for or on behalf of the investment adviser, or substantially similar functions or duties for or on behalf of another company for at least 12 months.

“Qualified Client” for Indiana clients means:

(1) A natural person or a company who immediately after entering into the contract has at least five hundred thousand dollars (\$500,000) under the management of the investment adviser.

(2) A person who the investment adviser and its investment adviser representatives reasonably believe, immediately before entering into the contract, is a natural person or a company whose net worth, at the time the contract is entered into, exceeds one million dollars(\$1,100,000). The net worth of a natural person may include assets held jointly with that person’s spouse.

## **Item 7: Types of Clients**

Turnkeough generally provides advisory services to the following types of clients:

- ❖ Individuals
- ❖ High-Net-Worth Individuals
- ❖ Banks and Thrift Institutions
- ❖ Pension and Profit-Sharing Plans
- ❖ Charitable Organizations
- ❖ Corporations or Business Entities
- ❖ State or Municipal Government Entities
- ❖ Other Investment Advisers
- ❖ Insurance Companies

There is no account minimum for any of Turnkeough’s services.

## **Item 8: Methods of Analysis, Investment Strategies, & Risk of Loss**

### **A. Methods of Analysis and Investment Strategies**

#### *Methods of Analysis*

Turnkeough’s methods of analysis include Charting analysis, Cyclical analysis, Fundamental analysis, Modern portfolio theory and Quantitative analysis.

**Charting analysis** involves the use of patterns in performance charts. Turnkeough uses this technique to search for patterns used to help predict favorable conditions for buying and/or selling a security.

**Cyclical analysis** involves the analysis of business cycles to find favorable conditions for buying and/or selling a security.

**Fundamental analysis** involves the analysis of financial statements, the general financial health of companies, and/or the analysis of management or competitive advantages.

**Modern portfolio theory** is a theory of investment that attempts to maximize portfolio expected return for a given amount of portfolio risk, or equivalently minimize risk for a given level of expected return, each by carefully choosing the proportions of various asset.

**Quantitative analysis** deals with measurable factors as distinguished from qualitative considerations such as the character of management or the state of employee morale, such as the value of assets, the cost of capital, historical projections of sales, and so on.

### *Investment Strategies*

Turnkeough uses long term trading, short term trading, short sales, margin transactions and options trading (including covered options, uncovered options, or spreading strategies).

**Investing in securities involves a risk of loss that you, as a client, should be prepared to bear.**

## **B. Material Risks Involved**

### *Methods of Analysis*

**Charting analysis** strategy involves using and comparing various charts to predict long and short-term performance or market trends. The risk involved in using this method is that only past performance data is considered without using other methods to crosscheck data. Using charting analysis without other methods of analysis would be assuming that past performance will be indicative of future performance. This may not be the case.

**Cyclical analysis** assumes that the markets react in cyclical patterns which, once identified, can be leveraged to provide performance. The risks with 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, then it changes the very cycles these investors are trying to exploit.

**Fundamental analysis** concentrates on factors that determine a company's value and expected future earnings. This strategy would normally encourage equity purchases in

stocks that are undervalued or priced below their perceived value. The risk assumed is that the market will fail to reach expectations of perceived value.

**Modern portfolio theory** assumes that investors are risk averse, meaning that given two portfolios that offer the same expected return, investors will prefer the less risky one. Thus, an investor will take on increased risk only if compensated by higher expected returns. Conversely, an investor who wants higher expected returns must accept more risk. The exact trade-off will be the same for all investors, but different investors will evaluate the trade-off differently based on individual risk aversion characteristics. The implication is that a rational investor will not invest in a portfolio if a second portfolio exists with a more favorable risk-expected return profile – i.e., if for that level of risk an alternative portfolio exists which has better expected returns.

**Quantitative analysis** Investment strategies using quantitative models may perform differently than expected as a result of, among other things, the factors used in the models, the weight placed on each factor, changes from the factors' historical trends, and technical issues in the construction and implementation of the models.

### *Investment Strategies*

Turnkeough's use of short sales, margin transactions and options trading generally holds greater risk, and clients should be aware that there is a material risk of loss using any of those strategies.

**Long term trading** is designed to capture market rates of both return and risk. Due to its nature, the long-term investment strategy can expose clients to various types of risk that will typically surface at various intervals during the time the client owns the investments. These risks include but are not limited to inflation (purchasing power) risk, interest rate risk, economic risk, market risk, and political/regulatory risk.

**Margin transactions** use leverage that is borrowed from a brokerage firm as collateral. When losses occur, the value of the margin account may fall below the brokerage firm's threshold thereby triggering a margin call. This may force the account holder to either allocate more funds to the account or sell assets on a shorter time frame than desired.

**Options transactions** involve a contract to purchase a security at a given price, not necessarily at market value, depending on the market. This strategy includes the risk that an option may expire out of the money resulting in minimal or no value, as well as the possibility of leveraged loss of trading capital due to the leveraged nature of stock options.

**Short sales** entail the possibility of infinite loss. An increase in the applicable securities' prices will result in a loss and, over time, the market has historically trended upward.

**Short term trading** risks include liquidity, economic stability, and inflation, in addition to the long-term trading risks listed above. Frequent trading can affect investment performance, particularly through increased brokerage and other transaction costs and taxes.

**Investing in securities involves a risk of loss that you, as a client, should be prepared to bear.**

### **C. Risks of Specific Securities Utilized**

Turnkeough's use of short sales, margin transactions and options trading generally holds greater risk of capital loss. Clients should be aware that there is a material risk of loss using any investment strategy. The investment types listed below (leaving aside Treasury Inflation Protected/Inflation Linked Bonds) are not guaranteed or insured by the FDIC or any other government agency.

**Mutual Funds:** Investing in mutual funds carries the risk of capital loss and thus you may lose money investing in mutual funds. All mutual funds have costs that lower investment returns. The funds can be of bond "fixed income" nature (lower risk) or stock "equity" nature.

**Equity** investment generally refers to buying shares of stocks in return for receiving a future payment of dividends and/or capital gains if the value of the stock increases. The value of equity securities may fluctuate in response to specific situations for each company, industry conditions and the general economic environments.

**Fixed income** investments generally pay a return on a fixed schedule, though the amount of the payments can vary. This type of investment can include corporate and government debt securities, leveraged loans, high yield, and investment grade debt and structured products, such as mortgage and other asset-backed securities, although individual bonds may be the best-known type of fixed income security. In general, the fixed income market is volatile and fixed income securities carry interest rate risk. (As interest rates rise, bond prices usually fall, and vice versa. This effect is usually more pronounced for longer-term securities.) Fixed income securities also carry inflation risk, liquidity risk, call risk, and credit and default risks for both issuers and counterparties. The risk of default on treasury inflation protected/inflation linked bonds is dependent upon the U.S. Treasury defaulting (extremely unlikely); however, they carry a potential risk of losing share price value, albeit rather minimal. Risks of investing in foreign fixed income securities also include the general risk of non-U.S. investing described below.

**Exchange Traded Funds (ETFs):** An ETF is an investment fund traded on stock exchanges, like stocks. Investing in ETFs carries the risk of capital loss (sometimes up to a 100% loss in the case of a stock holding bankruptcy). Areas of concern include the lack of transparency in products and increasing complexity, conflicts of interest and the possibility of inadequate regulatory compliance. Precious Metal ETFs (e.g., Gold, Silver, or Palladium Bullion backed "electronic shares" not physical metal) specifically may be negatively impacted by several unique factors, among them (1) large sales by the official sector which own a significant portion of aggregate world holdings in gold and other precious metals, (2) a significant increase in hedging activities by producers of gold or other precious metals, (3) a significant change in the attitude of speculators and investors.

**Annuities** are a retirement product for those who may have the ability to pay a premium now and want to guarantee they receive certain monthly payments or a return on investment later in the future. Annuities are contracts issued by a life insurance company designed to meet requirement or other long-term goals. An annuity is not a life insurance policy. Variable annuities are designed to be long-term investments, to meet retirement and other long-range goals. Variable annuities are not suitable for meeting short-term goals because substantial taxes and insurance company charges may apply if you withdraw your money early. Variable annuities also involve investment risks, just as mutual funds do.

**Private placements** carry a substantial risk as they are subject to less regulation than are publicly offered securities, the market to resell these assets under applicable securities laws may be illiquid, due to restrictions, and the liquidation may be taken at a substantial discount to the underlying value or result in the entire loss of the value of such assets.

**Venture capital funds** invest in start-up companies at an early stage of development in the interest of generating a return through an eventual realization event; the risk is high as a result of the uncertainty involved at that stage of development.

**Options** are contracts to purchase a security at a given price, risking that an option may expire out of the money resulting in minimal or no value. An uncovered option is a type of options contract that is not backed by an offsetting position that would help mitigate risk. The risk for a “naked” or uncovered put is not unlimited, whereas the potential loss for an uncovered call option is limitless. Spread option positions entail buying and selling multiple options on the same underlying security, but with different strike prices or expiration dates, which helps limit the risk of other option trading strategies. Option transactions also involve risks including but not limited to economic risk, market risk, sector risk, idiosyncratic risk, political/regulatory risk, inflation (purchasing power) risk and interest rate risk.

**Non-U.S.** securities present certain risks such as currency fluctuation, political and economic change, social unrest, changes in government regulation, differences in accounting and the lesser degree of accurate public information available.

**Past performance is not indicative of future results. Investing in securities involves a risk of loss that you, as a client, should be prepared to bear.**

## **Item 9: Disciplinary Information**

### **A. Criminal or Civil Actions**

There are no criminal or civil actions to report.

## **B. Administrative Proceedings**

There are no administrative proceedings to report.

## **Self-regulatory Organization (SRO) Proceedings**

There are no self-regulatory organization proceedings to report.

# **Item 10: Other Financial Industry Activities and Affiliations**

## **A. Registration as a Broker/Dealer or Broker/Dealer Representative**

Neither Turnkeough nor its representatives are registered as, or have pending applications to become, a broker/dealer or a representative of a broker/dealer.

## **B. Registration as a Futures Commission Merchant, Commodity Pool Operator, or a Commodity Trading Advisor**

Neither Turnkeough nor its representatives are registered as or have pending applications to become either a Futures Commission Merchant, Commodity Pool Operator, or Commodity Trading Advisor or an associated person of the foregoing entities.

## **C. Registration Relationships Material to this Advisory Business and Possible Conflicts of Interests**

Paul Andrew Keough is a licensed insurance agent with Turnkeough Consulting Inc., and from time to time, will offer clients advice or products from those activities. Clients should be aware that these services pay a commission or other compensation and involve a conflict of interest, as commissionable products conflict with the fiduciary duties of a registered investment adviser. Turnkeough always acts in the best interest of the client; including the sale of commissionable products to advisory clients. Clients are in no way required to utilize the services of any representative of Turnkeough in connection with such individual's activities outside of Turnkeough.

Paul Keough has worked as a strategy consultant for the last 10 years at Turnkeough Consulting Inc providing general management consulting services to private and public companies. We sign confidentiality with all company clients, do not invest in company clients, have no holdings in company clients and do not act on insider information.

#### **D. Selection of Other Advisers or Managers and How This Adviser is Compensated for Those Selections**

Turnkeough does not utilize nor select third-party investment advisers. All assets are managed by Turnkeough management.

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

#### **A. Code of Ethics**

Turnkeough has a written Code of Ethics that covers the following areas: Prohibited Purchases and Sales, Insider Trading, Personal Securities Transactions, Exempted Transactions, Prohibited Activities, Conflicts of Interest, Gifts and Entertainment, Confidentiality, Service on a Board of Directors, Compliance Procedures, Compliance with Laws and Regulations, Procedures and Reporting, Certification of Compliance, Reporting Violations, Compliance Officer Duties, Training and Education, Recordkeeping, Annual Review, and Sanctions. Turnkeough's Code of Ethics is available free upon request to any client or prospective client.

#### **B. Recommendations Involving Material Financial Interests**

Client approval will be sought for client investment in such recommendations and, if granted, such approval will be binding. If a principal transaction arises, Turnkeough will only execute such transaction with the consent of the applicable client. Principal transactions are generally defined as transactions where an adviser, acting as principal for its own account or the account of a related person, buys from or sells any security to any advisory client.

#### **C. Investing Personal Money in the Same Securities as Clients**

From time to time, representatives of Turnkeough may buy or sell securities for themselves that they also recommend to clients. This may provide an opportunity for representatives of Turnkeough to buy or sell the same securities before or after recommending the same securities to clients resulting in representatives profiting off the recommendations they provide to clients. Such transactions may create a conflict of interest. Turnkeough will always document any transactions that could be construed as conflicts of interest and will never engage in trading that operates to the client's disadvantage when similar securities are being bought or sold.

## **D. Trading Securities At/Around the Same Time as Clients' Securities**

From time to time, representatives of Turnkeough may buy or sell securities for themselves at or around the same time as clients. This may provide an opportunity for representatives of Turnkeough to buy or sell securities before or after recommending securities to clients resulting in representatives profiting off the recommendations they provide to clients. Such transactions may create a conflict of interest; however, Turnkeough will never engage in trading that operates to the client's disadvantage if representatives of Turnkeough buy or sell securities at or around the same time as clients.

## **Item 12: Brokerage Practices**

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

Custodians/broker-dealers will be recommended based on Turnkeough's duty to seek "best execution," which is the obligation to seek execution of securities transactions for a client on the most favorable terms for the client under the circumstances. Clients will not necessarily pay the lowest commission or commission equivalent, and Turnkeough may also consider the market expertise and research access provided by the broker-dealer/custodian, including but not limited to access to written research, oral communication with analysts, admittance to research conferences and other resources provided by the brokers that may aid in Turnkeough's research efforts. Turnkeough will never charge a premium or commission on transactions, beyond the actual cost imposed by the broker-dealer/custodian. Advisor is not affiliated with the brokerage firm. Broker does not supervise the advisor, its agents or activities

Turnkeough will require clients to use SSG(Pershing) or Sawtooth (TDA or Fidelity) for public investments; and/or Strata Trust for private investments.

#### ***1. Research and Other Soft-Dollar Benefits***

While Turnkeough has no formal soft dollars program in which soft dollars are used to pay for third party services, Turnkeough may receive research, products, or other services from custodians and broker-dealers in connection with client securities transactions ("soft dollar benefits"). Turnkeough may enter soft-dollar arrangements consistent with (and not outside of) the safe harbor contained in Section 28(e) of the Securities Exchange Act of 1934, as amended. There can be no assurance that any particular client will benefit from soft dollar research, whether or not the client's transactions paid for it, and Turnkeough does not seek to allocate benefits to client accounts proportionate to any soft dollar credits generated by the accounts. Turnkeough benefits by not having to produce or pay for the research, products or services, and Turnkeough will have an incentive to recommend a broker-dealer based on receiving research or services. Clients should be aware that Turnkeough's acceptance of soft dollar benefits may result in higher commissions charged to the client.

## ***2. Brokerage for Client Referrals***

Turnkeough receives no referrals from a broker-dealer or third party in exchange for using that broker-dealer or third party.

## ***3. Clients Directing Which Broker/Dealer/Custodian to Use***

Turnkeough will require clients to use one of a few specific broker-dealers to execute transactions. Not all advisers require clients to use a particular broker-dealer.

### **B. Aggregating (Block) Trading for Multiple Client Accounts**

If Turnkeough buys or sells the same securities on behalf of more than one client, then it may (but would be under no obligation to) aggregate or bunch such securities in a single transaction for multiple clients in order to seek more favorable prices, lower brokerage commissions, or more efficient execution. In such case, Turnkeough would place an aggregate order with the broker on behalf of all such clients in order to ensure fairness for all clients; provided, however, that trades would be reviewed periodically to ensure that accounts are not systematically disadvantaged by this policy. Turnkeough would determine the appropriate number of shares and select the appropriate brokers consistent with its duty to seek best execution, except for those accounts with specific brokerage direction (if any).

## **Item 13: Review of Accounts**

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

All client accounts for Turnkeough's advisory services provided on an ongoing basis are reviewed at least Quarterly by Paul Keough, Chief Compliance Officer, regarding clients' respective investment policies and risk tolerance levels. All accounts at Turnkeough are assigned to this reviewer.

There is only one level of review for subscription services, which is Turnkeough's review prior to rendering the subscription advice.

All financial planning accounts are reviewed upon financial plan creation and plan delivery by Paul Keough, Chief Compliance Officer. Financial planning clients are provided a one-time financial plan concerning their financial situation. After the presentation of the plan, there are no further reports. Clients may request additional plans or reports for a fee.

## **B. Factors That Will Trigger a Non-Periodic Review of Client Accounts**

Reviews may be triggered by material market, economic or political events, or by changes in client's financial situations (such as retirement, termination of employment, physical move, or inheritance).

With respect to financial plans, Turnkeough's services will generally conclude upon delivery of the financial plan.

## **C. Content and Frequency of Regular Reports Provided to Clients**

Each client of Turnkeough's advisory services provided on an ongoing basis will receive a quarterly report detailing the client's account, including assets held, asset value, and calculation of fees. This written report will come from the custodian.

Turnkeough does not provide reports relating to its subscription services.

Each financial planning client will receive the financial plan upon completion.

## **Item 14: Client Referrals and Other Compensation**

### **A. Economic Benefits Provided by Third Parties for Advice Rendered to Clients (Includes Sales Awards or Other Prizes)**

Turnkeough receives compensation via its arrangement with its underlying subadvisers, but otherwise does not receive any economic benefit from any other third party for advice rendered to Turnkeough's clients.

### **B. Compensation to Non – Advisory Personnel for Client Referrals**

Turnkeough does not directly or indirectly compensate any person who is not advisory personnel for client referrals.

## **Item 15: Custody**

When advisory fees are deducted directly from client accounts at client's custodian, Turnkeough will be deemed to have limited custody of client's assets and must have written authorization from the client to do so. Clients will receive all account statements and billing invoices that are required in each jurisdiction, and they should carefully review those statements for accuracy. Advisor is not affiliated with the custodian. The custodian does not supervise the advisor, its agents or activities.

## **Item 16: Investment Discretion**

Turnkeough provides discretionary and non-discretionary investment advisory services to clients. The advisory contract established with each client sets forth the discretionary authority for trading. Where investment discretion has been granted, Turnkeough generally manages the client's account and makes investment decisions without consultation with the client as to when the securities are to be bought or sold for the account, the total amount of the securities to be bought/sold, what securities to buy or sell, or the price per share. In some instances, Turnkeough's discretionary authority in making these determinations may be limited by conditions imposed by a client (in investment guidelines or objectives, or client instructions otherwise provided to Turnkeough).

## **Item 17: Voting Client Securities (Proxy Voting)**

Turnkeough will not ask for, nor accept voting authority for client securities. Clients will receive proxies directly from the issuer of the security or the custodian. Clients should direct all proxy questions to the issuer of the security.

## **Item 18: Financial Information**

### **A. Balance Sheet**

Turnkeough neither requires nor solicits prepayment of more than \$500 in fees per client, six months or more in advance, and therefore is not required to include a balance sheet with this brochure.

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

Neither Turnkeough nor its management has any financial condition that is likely to reasonably impair Turnkeough's ability to meet contractual commitments to clients.

### **C. Bankruptcy Petitions in Previous Ten Years**

Turnkeough has not been the subject of a bankruptcy petition in the last ten years.

## **Item 19: Requirements For State Registered Advisers**

### **A. Principal Executive Officers and Management Persons; Their Formal Education and Business Background**

Turnkeough currently has only one management person: Paul Andrew Keough. Education and business background can be found on the individual's Form ADV Part 2B brochure supplement.

### **B. Other Businesses in Which This Advisory Firm or its Personnel are Engaged and Time Spent on Those (If Any)**

Other business activities for each relevant individual can be found on the Form ADV Part 2B brochure supplement for each such individual.

### **C. Calculation of Performance-Based Fees and Degree of Risk to Clients**

Turnkeough accepts performance-based fees, fees based on a share of capital gains on or capital appreciation of the assets of a client.

#### ***Performance-Based Fees for Portfolio Management***

Qualified clients will pay an annual fee of 2.00% of assets under management along with a 20.00% performance fee based on capital appreciation. If the client's portfolio rises in value, the client will pay 20.00% on that increase in value, but if the portfolio drops in value, the client will not incur a new performance fee until the portfolio reaches the last highest value, adjusted for withdrawals and deposits, which is generally known as a "high water mark."

The high water mark will be the highest value of the client's account on the last day of any previous year, after accounting for the client's deposits or withdrawals for each billing period.

These fees are generally negotiable and the final fee schedule is attached as Exhibit II of the Investment Advisory Contract. This service may be canceled with 30 days' notice. Clients must pay the prorated performance-based fees for the billing period in which they terminate the Investment Advisory Contract up to and including the day of termination.

Clients that are paying a performance-based fee should be aware that investment advisers have an incentive to invest in riskier investments when paid a performance-based fee due to the higher risk/higher reward attributes.

**D. Material Disciplinary Disclosures for Management Persons of this Firm**

There are no civil, self-regulatory organization, or arbitration proceedings to report under this section.

**E. Material Relationships That Management Persons Have with Issuers of Securities (If Any)**

See Item 10.C and 11.B.