The Sabinal Opportunistic Portfolios

"We manage your money exactly as we do our own. Our personal net worth is invested in the Sabinal Opportunistic Portfolios." – Mike Turner

Sabinal Managed Account Services

Sabinal Capital Investments, LLC (Sabinal) provides our clients an equity investment strategy via the Sabinal Opportunistic Portfolios. This service is not for every investor, but if you have a minimum of $25,000 of investable funds or liquid securities and if your financial situation is appropriate, these Portfolios can be an integral part of your overall stock market investments.

The Sabinal Opportunistic Equity I Portfolio is comprised of a combination of cash, stocks and exchange traded funds. The Sabinal Opportunistic Equity II Portfolio is comprised of a combination of cash, stocks and exchange traded funds. The Sabinal Opportunistic Equity III Portfolio is comprised of cash, stocks and covered calls. The Sabinal Opportunistic Equity IV Portfolios are aggressive portfolios comprised of cash, long and short positions in stocks, ETFs, and listed options. These are actively managed by Mr. Mike Turner, Senior Managing Partner of Sabinal Capital Investments, LLC. More details about these portfolios are provided herein.

As a participant in the Sabinal Opportunistic Portfolios, you will know exactly what you own. Unlike mutual funds or some other managed accounts, you will own the actual shares of the stocks in the portfolios. We buy the stocks for all portfolio participants at the same time and sell the stocks for all portfolio participants at the same time.

On page 9 of this document, you will find a Step-by-Step process for getting started in our Sabinal Managed Account Program. Before we can accept you into the program, however, we will perform an assessment of your financial situation. Once we determine that the Sabinal Opportunistic Portfolios are appropriate for you, these steps will guide you through the process of getting your account(s) established and funded.

How it works…
Equities are traded in your account in strict conformance with the Sabinal Opportunistic Portfolios asset allocation and diversification rules. Dividends and distributions are reinvested. You will have direct access to your account, on-line, 24x7, via your broker's website (www.thinkorswim.com) where you can see the current holdings in your portfolio and historical trades.

Fee structure…
You pay a quarterly wrap fee based on a percentage of the value of the assets held in your Managed Account, calculated as of the last day of the prior quarter. The brokerage services may require the Client to pay costs in addition to the Advisory fee in every respect with regard to trades and transactions. See Pages 5, 6, 7, and 8 for Fee Schedules.

"Nobody ever made a dime by buying the right stock at the right time. You only make money by selling the right stock at the right time and at the right price!" – Mike Turner

Opportunistic Investing

Our Investment Philosophy

The key to making money in the stock market is to know when to get into a stock and more importantly, when to exit that stock. We have a proven investment methodology and the discipline to stick to that methodology for bull, bear or narrow trading-range markets. Sabinal Capital Investments uses the Ten Essential Rules for Best Practices investing, developed by portfolio manager Mike Turner to manage the Sabinal Opportunistic Portfolios.

Our Investment Methodology

Think Like a Fundamentalist

We look for companies that are increasing their revenues and earnings. Growth rates are the key to continuing upward and downward pricing trends.

Trade Like a Technician

We only buy stocks that are technically in an uptrend and that have sectors and industries that are also going up, according to our proprietary quantitative analysis systems. We also technically chart the broader markets and look for potential corrections and market bottoms for opportunistic selling and buying.

Avoid Expensive Stocks

We compare stocks to those within their industry group, not the overall market, to determine if a stock is too expensive to buy.

Follow (some) Insider Trading

We watch the insider buying. There is only one reason why insiders buy shares on the open market and we want to know when that happens.

Watch the Institutional Ownership

Stocks that are under accumulation by large institutions can offer great opportunities for price appreciation. However, too much institutional ownership can serve as a warning to get out.

Our Investment Discipline

Always Have an Exit Strategy

We use our Intelligent Stop Loss System (patent-pending) to know when a stock's trend has changed. We always have a definite exit strategy for every holding in the portfolio from the moment the equity is purchased to the moment we sell.

Never Marry a Stock

We only buy stocks that are going up and once they start going down, we sell them to protect our profit or to limit our loss. It does not matter if we like a stock or not. In fact, we are agnostic toward stocks. We only want to hold an equity if it is making us and our clients money.

Stay Diversified

We believe in strict diversification for our portfolio with no more than 30% invested in any one sector and no more than 20% invested in any one industry.

Strict Asset Allocation

We initiate trades using an equal percentage of the value of the portfolio.

Mike Turner
The Sabinal Opportunistic Portfolios Manager

The Sabinal Opportunistic Portfolio Manager is Mike Turner, the Senior Managing Partner and founder of Sabinal Capital Investments, LLC. He is an engineer by education and a highly successful entrepreneur with more than 25 years in the field of systems development and enterprise-level software applications. A great deal of the investment decision-making process we use at Sabinal is dependent upon our very sophisticated software system that has been designed and patented by Mr. Turner. Mike is the system architect and is the originator and creator of the algorithms and design methodology of this highly quantitative system.

The system for investing that Mike has developed is a rules-based system. He does not rely on instinct, gut-feelings, emotions, analyst opinions or hunches. 100% of the trades he makes are based on solid fundamental and technical analysis with his rules-based quantitative software system. Mike is the author of 10: The Essential Rules for Beating the Market.

Mike invests his own money in the Sabinal Opportunistic Portfolios and, therefore, has the same objective as his clients, which is to make the highest return possible at the lowest risk possible.

The Sabinal Opportunistic Equity I Portfolio

- The minimum investment in the Sabinal Opportunistic Portfolio is $100,000.
- The Portfolio has a maximum of 30 positions.
- Our objective is to maximize return while minimizing risk.
- We attempt to keep the portfolio balanced between stocks and ETFs.
- As market conditions warrant, we could be 100% invested or we could be 100% in cash.
- Most of our trades are short-term (less than 1 year).
- The Portfolio is long-only. We do not sell short, though we do use inverse ETFs as appropriate.
- We invest in both domestic and foreign securities, including ADRs. The foreign securities must trade on the U.S. exchanges.
- The Portfolio does not use any leverage, does not short, and does not trade options.
- The Portfolio follows Mike Turner's 10 Essential Rules for Best Practices investing.

Annual Fee Schedule

The following is the wrap-fee schedule for the Sabinal Capital Opportunistic Equity I Portfolio. These fees include all portfolio management, commissions, and reporting requirements for the account.

First $500,000 — 2.0%
Next $500,000 — 1.5%
Next $1,000,000 and above — 1.00%

The wrap-fees are deducted on a quarterly basis, in advance, using the value of the account as of the last trading day of the previous quarter. The brokerage services may require the Client to pay costs in addition to the Advisory fee in every respect with regard to trades and transactions. The minimum investment may be negotiable under certain circumstances. The advisory fee may be subject to negotiation depending upon a number of factors, including the total relationship with the Adviser and size of the account as shown herein.

The Sabinal Opportunistic Equity II Portfolio

- The minimum investment in the Sabinal Opportunistic Plus Portfolio is $25,000.
- The Portfolio has a maximum of 20 positions.
- Our objective is to maximize return while minimizing risk.
- We attempt to keep the portfolio balanced between stocks and ETFs.
- As market conditions warrant, we could be 100% invested or we could be 100% in cash.
- Most of our trades are short-term (less than 1 year).
- The Portfolio is long-only. We do not sell short, though we do use inverse ETFs as appropriate.
- We invest in both domestic and foreign securities, including ADRs. The foreign securities must trade on the U.S. exchanges.
- The Portfolio does not use any leverage and does not short any securities.
- The Portfolio follows Mike Turner's 10 Essential Rules for Best Practices investing.

Annual Fee Schedule

The following is the wrap-fee schedule for the Sabinal Capital Opportunistic Equity II Portfolio. These fees include all portfolio management, commissions, and reporting requirements for the account.

$20,000 - $100,000 — 3.0%
Next $400,000 – 2.75%
Next $500,000 — 2.25%
Next $1,000,000 and above — 1.50%

The wrap-fees are deducted on a quarterly basis, in advance, using the value of the account as of the last trading day of the previous quarter. No other fees are charged by Sabinal. The brokerage services may require the Client to pay costs in addition to the Advisory fee in every respect with regard to trades and transactions. The minimum investment may be negotiable under certain circumstances. The advisory fee may be subject to negotiation depending upon a number of factors, including the total relationship with the Adviser and size of the account as shown herein.

The Sabinal Opportunistic Equity III Portfolio

- The minimum investment in the Sabinal Opportunistic Covered Call Portfolio is $100,000 and additional investments in increments of $100,000.
- Our objective is to maximize return while minimizing risk.
- As market conditions warrant, we could be 100% invested or we could be 100% in cash.
- The Portfolio uses a covered call hedging strategy by generating immediate income to help protect downside risk.
- The Portfolio is managed using a time value analysis, trend analysis, Expected Move analysis, and a stop loss calculation analysis to determine if the potential for gain significantly outweighs the potential loss.
- All of our trades are short-term (less than 1 year).
- The Portfolio is long-only. We do not sell short, though we do use inverse ETFs as appropriate. The only option activity will be selling covered calls against our long positions.
- We invest in both domestic and foreign securities, including ADRs. The foreign securities must trade on the U.S. exchanges.
- The Portfolio does not use any leverage and does not short any securities.
- The Portfolio follows Mike Turner's 10 Essential Rules for Best Practices investing.

Annual Fee Schedule

The following is the wrap-fee schedule for the Sabinal Capital Opportunistic Equity III Portfolio. These fees include all portfolio management, commissions, and reporting requirements for the account.

First 500,000 — 2.75%
Next $500,000 – 2.25%
Next $1,000,000 and above — 1.50%

The wrap-fees are deducted on a quarterly basis, in advance, using the value of the account as of the last trading day of the previous quarter. No other fees are charged by Sabinal. The brokerage services may require the Client to pay costs in addition to the Advisory fee in every respect with regard to trades and transactions. The minimum investment may be negotiable under certain circumstances. The advisory fee may be subject to negotiation depending upon a number of factors, including the total relationship with the Adviser and size of the account as shown herein.

The Sabinal Opportunistic Equity IV Portfolios

(The Equity IV Plus Portfolio is for tax-deferred accounts and those not wanting to use leverage. The portfolio will not use margin and will not use naked shorting of individual stocks or ETFs.)

- The minimum investment in the Sabinal Opportunistic Equity IV Portfolios is $100,000.
- Our objective is to take an aggressive approach to the market, with the portfolio being non-diversified, 100% invested and can be fully margined depending on market conditions.
- THE PORTFOLIOS CAN HAVE DAILY SWINGS OF 10% OR MORE. FUNDS ALLOCATED TO THESE PORTFOLIOS ARE SUBJECT TO A HIGH LEVEL OF VOLATILITY.
- The Portfolios will invest in equities, ETFs, and options, including uncovered (naked) options. The Portfolios seek to have 20 positions at all times, though it is not limited to that number.
- The Portfolios can invest both long and short at the discretion of the Portfolio Manager. Due to the margin used by the Portfolio, the Portfolio is not suitable for tax-qualified retirement accounts. (Equity IV Plus is suitable for tax-qualified accounts)
- The Portfolios follow most, but not all of Mike Turner's 10 Essential Rules for Best Practices investing at all times.
- The Portfolios are managed using a time value analysis, trend analysis, Expected Move analysis, and a stop loss calculation analysis to determine if the potential for gain significantly outweighs the potential loss.
- All of our trades are typically short-term (less than 1 year).
- The portfolios invest in both domestic and foreign securities, including ADRs. The foreign securities must trade on the U.S. exchanges.

Annual Fee Schedule

The following is the wrap-fee schedule for the Sabinal Capital Opportunistic Equity IV Portfolios. These fees include all portfolio management, commissions, and reporting requirements for the account.

Annual Fee – 3.0%

The wrap-fees are deducted on a quarterly basis, in advance, using the value of the account as of the last trading day of the previous quarter. No other fees are charged by Sabinal. The brokerage services may require the Client to pay costs in addition to the Advisory fee in every respect with regard to trades and transactions. The minimum investment may be negotiable under certain circumstances. The advisory fee may be subject to negotiation depending upon a number of factors, including the total relationship with the Adviser and size of the account as shown herein.

The Five Steps to starting your managed account with Sabinal Capital Investments, LLC.

Step 1: Schedule a conference call with Sabinal during which we will review your current financial situation. Please be prepared to discuss the following:

a. Your total net worth
b. Your income requirements
c. Your tolerance for risk
d. Your objective for the monies that will be used to follow the Sabinal Opportunistic Portfolios
e. Whether or not you will be transferring cash, equities or both to your Sabinal account

Step 2: Sign and fax to us the following five documents: Sabinal Limited Trading Authorization, Sabinal Asset-Based Fee Agreement, the Sabinal Authorization to Deduct Management Fees, the Sabinal Confidential Client Information and the Sabinal e-document Authorization Form. Investors in Equity IV must also sign the Equity IV Risk Disclosure Document.

Step 3: Open an account with our broker, thinkorswim, inc. Their website is www.thinkorswim.com All of the accounts are opened online. If you need some assistance, call their toll-free number, 1-866-839-1100.

Step 4: Notify us once you have completed all of the above. This will give us the opportunity to confirm that all have been properly executed and set up for our management of your account(s).

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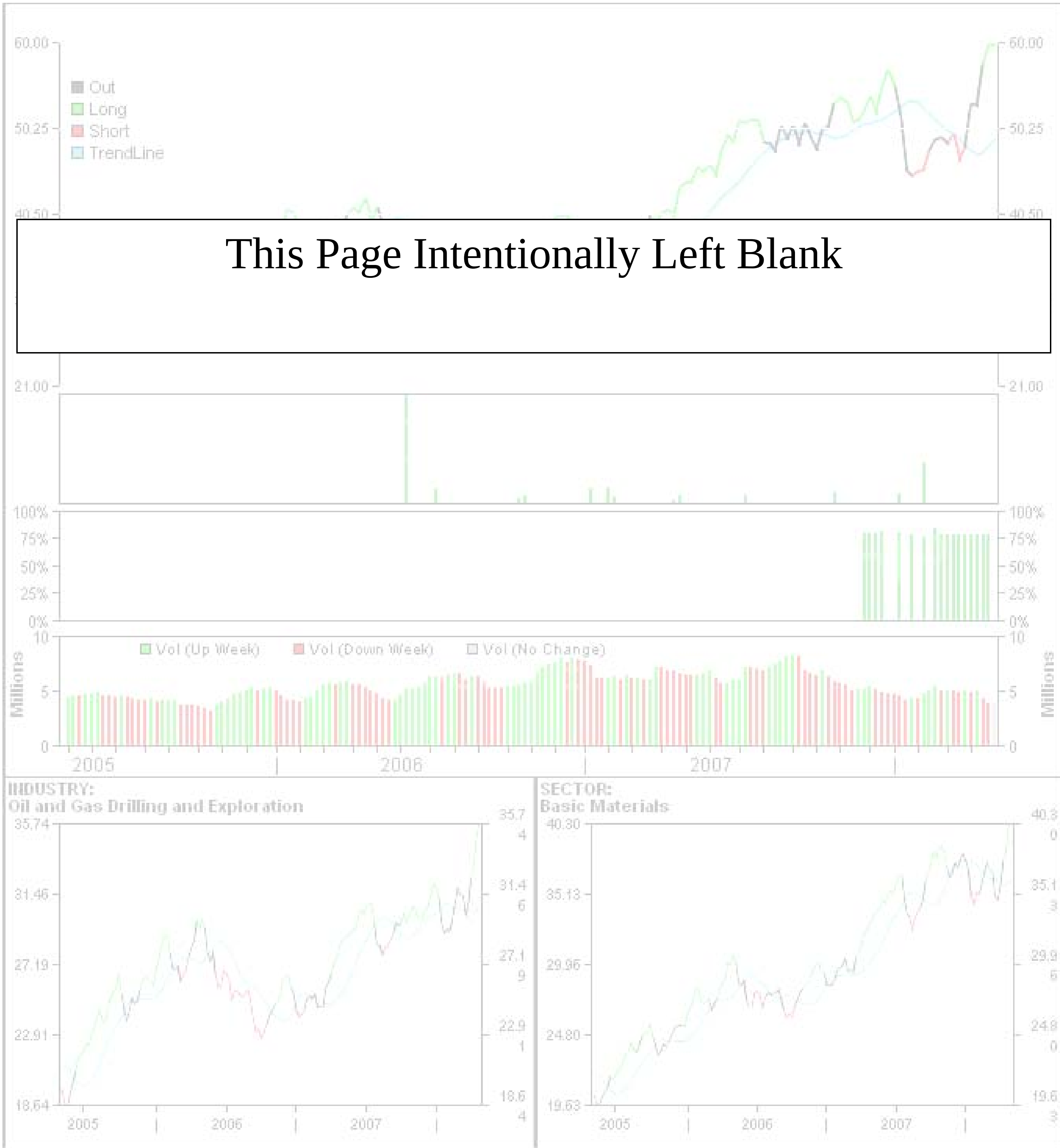

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