

# **MACRO Consulting Group**

**SEC File Number: 801 – 70753**

## **ADV Part 2A, Firm Brochure**

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**This Brochure provides information about the qualifications and business practices of MACRO Consulting Group (“MACRO”). If you have any questions about the contents of this Brochure, please contact us at (973) 451-9400 or [hheath@macroconsultinggroup.com](mailto:hheath@macroconsultinggroup.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 MACRO Consulting Group also is available on the SEC’s website at [www.adviserinfo.sec.gov](http://www.adviserinfo.sec.gov).**

**References herein to MACRO Consulting Group as a “registered investment adviser” or any reference to being “registered” does not imply a certain level of skill or training**

## **Item 2           Material Changes**

There have been no material changes made to MACRO's disclosure statement since the last Annual Amendment filing.

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#### **Item 4            Advisory Business**

- A. MACRO is a limited liability company formed on February 23, 1995 in the State of New Jersey. MACRO became registered as an Investment Adviser Firm in October 1997. MACRO is owned by Mark A. Cortazzo, MACRO's Managing Member.
- B. As discussed below, MACRO offers to its clients (individuals, pension and profit sharing plans, business entities, trusts, estates and charitable organizations, etc.) investment advisory services, and, to the extent specifically requested by a client, financial planning and related consulting services.

#### **INVESTMENT ADVISORY SERVICES**

The client can engage MACRO to provide discretionary investment advisory services on a *fee* basis. MACRO's annual investment advisory fee is based upon a percentage (%) of the market value of the assets placed under MACRO's management. Before engaging MACRO to provide investment advisory services, clients are required to enter into an *Investment Advisory Agreement* with MACRO setting forth the terms and conditions of the engagement (including termination), describing the scope of the services to be provided, and the fee that is due from the client.

Before providing investment advisory services, an investment adviser representative will ascertain each client's investment objectives. Thereafter, MACRO will allocate and/or recommend that the client allocate investment assets consistent with the designated investment objectives. MACRO primarily allocates client investment assets among various exchange-traded funds and mutual funds, on a discretionary basis, and *Independent Manager[s]* in accordance with the client's designated investment objective(s). (See Independent Managers below).

#### **FLAT FEE PORTFOLIO PROGRAM**

The Flat Fee Portfolio Program (the "Program") is MACRO's own proprietary asset allocation program designed for those clients who desire services outside of MACRO's traditional business model and the models set forth above. MACRO may apportion a part or the entire client investment portfolio into the Program. In the Program, the management fee per account is a fixed monthly fee. It does not fluctuate like a fee based on assets under management. The fee schedule is outlined in Item 5 of this document.

**Please Note:** For those clients that engage MACRO to provide investment advisory services pursuant to MACRO's Flat Fee Portfolio Program, MACRO's investment advisory services do not include customized portfolios or in-person services. For those clients that desire MACRO to provide customized portfolios and/or in-person meetings, MACRO can be engaged for investment advisory services pursuant to the assets under management fee schedules set forth in Item 5 of this document.

## **FINANCIAL PLANNING AND CONSULTING SERVICES (STAND-ALONE)**

To the extent requested by a client, MACRO *may* determine to provide financial planning and/or consulting services (including investment and non-investment related matters, including estate planning, insurance planning, etc.) on a stand-alone separate fee basis. MACRO's planning and consulting fees are negotiable, but generally range from \$250 to \$5,000 on a fixed fee basis, and from \$100 to \$250 on an hourly rate basis, depending upon the level and scope of the service(s) required and the professional(s) rendering the service(s). Prior to engaging MACRO to provide planning or consulting services, clients are generally required to enter into a *Financial Planning and Consulting Agreement* with MACRO setting forth the terms and conditions of the engagement (including termination), describing the scope of the services to be provided, and the portion of the fee that is due from the client prior to MACRO commencing services. If requested by the client, MACRO may recommend the services of other professionals for implementation purposes, including MACRO's representatives in their individual capacities as registered representatives of a broker-dealer and/or licensed insurance agents. (*See* disclosure at Items 10 A and 10 C). The client is under no obligation to engage the services of any such recommended professional. The client retains absolute discretion over all such implementation decisions and is free to accept or reject any recommendation from MACRO. **Please Note:** If the client engages any such recommended professional, and a dispute arises thereafter relative to such engagement, the client agrees to seek recourse exclusively from and against the engaged professional. **Please Also Note:** It remains the client's responsibility to promptly notify MACRO if there is ever any change in his/her/its financial situation or investment objectives for the purpose of reviewing/evaluating/revising MACRO's previous recommendations and/or services.

## **MISCELLANEOUS**

**Non-Investment Consulting/Implementation Services.** To the extent requested by the client, MACRO *may* provide consulting services regarding non-investment related matters, such as estate planning, tax planning, insurance, etc. Neither MACRO, nor any of its representatives, serves as an attorney or accountant, and no portion of MACRO's services should be construed as same. To the extent requested by a client, MACRO may recommend the services of other professionals for certain non-investment implementation purposes (i.e. attorneys, accountants, insurance, etc.), including representatives of MACRO in their separate licensed/registered capacities as discussed below. The client is under no obligation to engage the services of any such recommended professional. The client retains absolute discretion over all such implementation decisions and is free to accept or reject any recommendation from MACRO. **Please Note:** If the client engages any such recommended professional, and a dispute arises thereafter relative to such engagement, the client agrees to seek recourse exclusively from and against the engaged professional. **Please Also Note:** It remains the client's responsibility to promptly notify MACRO if there is ever any change in his/her/its financial situation or investment objectives for the purpose of reviewing/evaluating/revising MACRO's previous recommendations and/or services.

**Independent Managers.** MACRO may recommend that certain clients authorize the active discretionary management of a portion of their assets by and/or among certain independent investment manager[s] or investment management programs (“*Independent Manager[s]*”) to be recommended by MACRO, based upon the stated investment objectives of the client, including but not limited to, Active Index Solutions, LLC, Breckinridge Capital Advisors, PMC, Eaton Vance Management, Envision Capital Management and SEI Investment Company. The terms and conditions under which the client shall engage the *Independent Manager[s]* shall be set forth in a separate written agreement between the client and the designated *Independent Manager[s]*. The client is under no obligation to engage the services of any such recommended *Independent Manager*. The client retains absolute discretion over all implementation decisions related to engaging *Independent Managers* and is free to accept or reject any such recommendation from MACRO. MACRO shall continue to render advisory services to the client relative to the ongoing monitoring and review of account performance and client investment objectives, for which MACRO shall receive an annual advisory fee which is based upon a percentage of the market value of the assets being managed by the designated *Independent Manager[s]*. Factors which MACRO shall consider in recommending *Independent Manager[s]* include the client’s stated investment objective(s), and the *Independent Manager’s* management style, performance, reputation, financial strength, reporting, pricing, and research. The investment management fees charged by the designated *Independent Manager[s]*, together with the fees charged by the corresponding designated broker-dealer/custodian of the client’s assets, are exclusive of, and in addition to, MACRO’s investment advisory fee set forth in Item 5 of this document. In addition to the fees charged by MACRO, the designated *Independent Manager[s]* and corresponding broker-dealer/custodian, the client, relative to mutual and exchange traded fund purchases, shall also incur charges imposed at the fund level (i.e. advisory fees and other fund expenses).

**Everbank.** MACRO may also recommend that certain clients utilize EverBank’s FDIC-Insured Yield Pledge Money Market account program for certain bank assets held in their portfolio. EverBank’s corporate pledge is to “keep the yield on [your] account in the top 5% of Competitive Accounts as measured the last Wednesday of each month in Bankrate Monitor’s National Index, a weekly national survey of rate information surveyed by Bankrate.com. ‘Competitive Accounts’ are accounts from the top 5 banks and top 6 thrifts, as determined by deposit base, from the 10 largest banking markets in the United States”. (Quote cited from Everbank.com/Yield Pledge Money Market Account description). MACRO earns a fee of directly from EverBank of .30% on assets held in this program. MACRO Consulting Group will not be compensated on new accounts opened after November 8, 2012 for clients that are affiliated with LPL Financial.

**Conflict of Interest:** The recommendation of MACRO that a client utilize EverBank’s FDIC-Insured Yield Pledge Money Market account program presents a ***conflict of interest***, as the receipt of fees may provide an incentive to recommend the program based on fees to be received, rather than on a particular client’s need. No client is under any obligation to utilize EverBank’s program. **MACRO’s Chief Compliance Officer, Heidi Heath, remains available to address any questions that a client or prospective client may have regarding the above conflict of interest.**

**Sub-Advisory Services.** In addition to the services set forth herein, MACRO may be engaged by other registered investment advisers to provide sub-advisory services.

**Client Obligations.** In performing its services, MACRO shall not be required to verify any information received from the client or from the client's other professionals, and is expressly authorized to rely thereon. Moreover, each client is advised that it remains his/her/its responsibility to promptly notify MACRO if there is ever any change in his/her/its financial situation or investment objectives for the purpose of reviewing/evaluating/revising MACRO's previous recommendations and/or services.

**Disclosure Statement.** A copy of MACRO's written Brochure as set forth on Part 2A of Form ADV shall be provided to each client prior to, or contemporaneously with, the execution of the *Investment Advisory Agreement or Financial Planning and Consulting Agreement*.

- C. MACRO shall provide investment advisory services specific to the needs of each client. Prior to providing investment advisory services, an investment adviser representative will ascertain each client's investment objective(s). Thereafter, MACRO shall allocate and/or recommend that the client allocate investment assets consistent with the designated investment objective(s). The client may, at anytime, impose reasonable restrictions, in writing, on MACRO's services.
- D. MACRO does not participate in a wrap fee program.
- E. As of December 1, 2013, MACRO had approximately \$250,000,000 in assets under management on a discretionary basis.

## Item 5 Fees and Compensation

- A. The client can engage MACRO to provide discretionary investment advisory services on a *fee* basis.

### INVESTMENT ADVISORY SERVICES

If a client determines to engage MACRO to provide discretionary investment advisory services on a *fee* basis, MACRO's annual investment advisory fee shall be based upon a percentage (%) of the market value and type of assets placed under MACRO's management (between 0.55% and 1.80%) as follows:

MACRO Fee Schedule*		
General, Core Model & Dividend Portfolio		
Gross Annual Fee as % of Assets	On Assets Above (minimum):	Up to Assets of (maximum):
1.20%	\$0	\$1,000,000
1.00%	\$1,000,001	\$3,000,000
0.85%	\$3,000,001	\$5,000,000
0.75%	\$5,000,001	\$25,000,000
0.60%	\$25,000,001 +	

### **MACRO AlphaSector Premier\***

Gross Annual Fee as % of Assets	On Assets Above (minimum):	Up to Assets of (maximum):
1.80%	\$0	\$500,000
1.40%	\$500,001	\$1,000,000
1.20%	\$1,000,001	\$3,000,000
1.15%	\$3,000,001	\$5,000,000
1.10%	\$5,000,001	\$25,000,000
1.00%	\$25,000,001+	

### **Breckinridge Bond Management\***

Gross Annual Fee as % of Assets	On Assets Above (minimum):	Up to Assets of (maximum):
0.85%	\$500,000	\$3,000,000
0.75%	\$3,000,001	\$5,000,000
0.60%	\$5,000,001	\$25,000,000
0.50%	\$25,000,001+	

### **Eaton Vance Management\***

Gross Annual Fee as % of Assets	On Assets Above (minimum):	Up to Assets of (maximum):
0.85%	\$250,000	\$3,000,000
0.75%	\$3,000,001	\$5,000,000
0.60%	\$5,000,001	\$25,000,000
0.50%	\$25,000,001+	

### **Envision Capital Management\* Investment Grade Portfolio**

Gross Annual Fee as % of Assets	On Assets Above (minimum):	Up to Assets of (maximum):
0.90%	\$500,000	\$3,000,000
0.80%	\$3,000,001	\$5,000,000
0.65%	\$5,000,001	\$25,000,000
0.55%	\$25,000,001+	

### **Envision Capital Management\* Split Rate Portfolio**

Gross Annual Fee as % of Assets	On Assets Above (minimum):	Up to Assets of (maximum):
0.95%	\$500,000	\$3,000,000
0.85%	\$3,000,001	\$5,000,000
0.70%	\$5,000,001	\$25,000,000
0.60%	\$25,000,001+	

### **MACRO Tactical Model\***

Gross Annual Fee as % of Assets	On Assets Above (minimum):	Up to Assets of (maximum):
1.50%	\$0	\$1,000,000
1.20%	\$1,000,001	\$3,000,000
0.95%	\$3,000,001	\$5,000,000
0.80%	\$5,000,001	\$25,000,000
0.55%	\$25,000,001 +	

\*MACRO charges an initial account set up fee of \$450 for the above investment advisory services.

### **FLAT FEE PORTFOLIO PROGRAM**

The Flat Fee Portfolio Program (the “Program”) is MACRO’s own proprietary asset allocation program designed for those clients who desire services outside of MACRO’s traditional business model and the models set forth above. MACRO may apportion a part or the entire client investment portfolio into the Program. In the Program, the management fee per account is a fixed monthly fee. It does not fluctuate like a fee based on assets under management. The fee schedule is as follows:

Gross Monthly Fee	Flat Fee Portfolios On Assets Above (minimum):	Up to Assets of (maximum):
\$129/month	\$0	\$250,000
\$199/month	\$250,001	\$1,000,000
0.24%	\$1,000,001	\$5,000,000
0.22%	\$5,000,001	\$10,000,000
0.20%	\$10,000,001+	

\*The fees above represent “household” pricing and include up to three client accounts per household. The fee level is based on the aggregate household assets. For households under \$1,000,000, there is a \$20/account monthly administrative charge for each additional account after the first three.

\*While there are no account minimums, we typically do not recommend this program be utilized for accounts under \$160,000.

### **FINANCIAL PLANNING AND CONSULTING SERVICES (STAND-ALONE)**

To the extent specifically requested by a client, MACRO *may* determine to provide financial planning and/or consulting services (including investment and non-investment related matters, including estate planning, insurance planning, etc.) on a stand-alone fee basis. MACRO’s planning and consulting fees are negotiable, but generally range from \$250 to \$5,000 on a fixed fee basis, and from \$100 to \$250 on an hourly rate basis, depending upon the level and scope of the service(s) required and the professional(s) rendering the service(s).



- B. Clients may elect to have MACRO's advisory fees deducted from their custodial account. Both MACRO's *Investment Advisory Agreement* and the custodial/ clearing agreement may authorize the custodian to debit the account for the amount of MACRO's investment advisory fee and to directly remit that management fee to MACRO in compliance with regulatory procedures. In the limited event that MACRO bills the client directly, payment is due upon receipt of MACRO's invoice. MACRO shall deduct fees and/or bill clients quarterly in advance, based upon the market value of the assets on the last business day of the previous quarter.
- C. As discussed below, unless the client directs otherwise or an individual client's circumstances require, MACRO shall generally recommend that LPL Financial ("*LPL*"), Fidelity Investments ("*Fidelity*"), FolioFN Investments, Inc. ("*Foliofn*") and/or TD Ameritrade Inc., member FINRA/SIPC/NFA ("*TD Ameritrade*") serve as the broker-dealer/custodian for client investment management assets. In addition, MACRO may engage Envestnet as a third party option for performance reporting and fee debiting services. Broker-dealers such as *LPL*, *Fidelity*, *Foliofn* and *TD Ameritrade* charge brokerage commissions and/or transaction fees for effecting certain securities transactions (i.e. transaction fees are charged for certain no-load mutual funds, commissions are charged for individual equity and fixed income securities transactions). In addition to MACRO's investment management fee, brokerage commissions and/or transaction fees, clients will also incur, relative to all mutual fund and exchange traded fund purchases, charges imposed at the fund level (e.g. management fees and other fund expenses).
- D. MACRO's annual investment advisory fee shall be prorated and paid quarterly, in advance, based upon the market value of the assets on the last business day of the previous quarter. MACRO generally requires a \$500,000 minimum asset level and a minimum annual fee of \$2,500 (\$625 quarterly) for investment advisory services. For the Flat Fee Portfolio Program, MACRO charges a minimum monthly fee of \$199 (with a reduced fee of \$129/month for accounts less than \$250,000) and generally recommends a minimum investment of \$160,000. MACRO, in its sole discretion, may charge a lesser investment management fee and/or reduce or waive its minimum asset or fee requirement based upon certain criteria (i.e. anticipated future earning capacity, anticipated future additional assets, dollar amount of assets to be managed, related accounts, account composition, negotiations with client, etc.).

The *Investment Advisory Agreement* between MACRO and the client will continue in effect until terminated by either party by written notice in accordance with the terms of the *Investment Advisory Agreement*. Upon termination, MACRO shall refund the prorated portion of the advanced advisory fee paid based upon the number of days remaining in the billing quarter.

- E. **Securities Commission Transactions.** In the event that the client desires, the client can engage certain of MACRO's representatives, in their individual capacities, as registered representatives of LPL Financial ("*LPL*"), an SEC registered and FINRA member broker-dealer, to implement investment recommendations on a commission basis. In the event the client chooses to purchase investment products through *LPL*, *LPL* will charge brokerage commissions to effect securities transactions, a portion of which commissions *LPL* shall pay to MACRO's representatives, as applicable. The brokerage commissions charged by *LPL* may be higher or lower than those charged by other broker-dealers. In

addition, *LPL*, as well as MACRO's representatives, relative to commission mutual fund purchases, may also receive additional ongoing 12b-1 trailing commission compensation directly from the mutual fund company during the period that the client maintains the mutual fund investment.

1. **Conflict of Interest:** The recommendation that a client purchase a commission product from MACRO's representatives presents a *conflict of interest*, as the receipt of commissions may provide an incentive to recommend investment products based on commissions to be received, rather than on a particular client's need. No client is under any obligation to purchase any commission products from MACRO's representatives. **MACRO's Chief Compliance Officer, Heidi Heath, remains available to address any questions that a client or prospective client may have regarding the above conflict of interest.**
2. **Please Note:** Clients may purchase investment products recommended by MACRO through other, non-affiliated broker dealers or agents.
3. MACRO does not receive more than 50% of its revenue from advisory clients as a result of commissions or other compensation for the sale of investment products MACRO recommends to its clients.
4. When MACRO's representatives sell an investment product on a commission basis, MACRO does not charge an advisory fee in addition to the commissions paid by the client for such product. When providing services on an advisory fee basis, MACRO's representatives do not also receive commission compensation for such advisory services. **However**, a client may engage MACRO to provide investment management services on an advisory fee basis and separate from such advisory services purchase an investment product from MACRO's representatives on a separate commission basis.

## **Item 6            Performance-Based Fees and Side-by-Side Management**

Neither MACRO nor any supervised person of MACRO accepts performance-based fees.

## **Item 7            Types of Clients**

MACRO's clients generally include individuals, pension and profit sharing plans, business entities, trusts, estates and charitable organizations. MACRO generally requires a \$500,000 minimum asset level and a minimum annual fee of \$2,500 (\$625 quarterly) for investment advisory services. For the Flat Fee Portfolio Program, MACRO charges a minimum monthly fee of \$199 (with a reduced fee of \$129/month for accounts less than \$250,000) and generally recommends a minimum investment of \$160,000. MACRO, in its sole discretion, may charge a lesser investment management fee and/or reduce or waive its minimum asset or fee requirement based upon certain criteria (i.e. anticipated future earning capacity, anticipated future additional assets, dollar amount of assets to be managed, related accounts, account composition, negotiations with client, etc.).

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

A. MACRO may utilize the following methods of security analysis:

- Charting - (analysis performed using patterns to identify current trends and trend reversals to forecast the direction of prices)
- Fundamental - (analysis performed on historical and present data, with the goal of making financial forecasts)
- Technical – (analysis performed on historical and present data, focusing on price and trade volume, to forecast the direction of prices)
- Cyclical – (analysis performed on historical relationships between price and market trends, to forecast the direction of prices)

MACRO may utilize the following investment strategies when implementing investment advice given to clients:

- Long Term Purchases (securities held at least a year)
- Short Term Purchases (securities sold within a year)
- Trading (securities sold within thirty (30) days)

**Please Note: Investment Risk.** Investing in securities involves risk of loss that clients should be prepared to bear. Different types of investments involve varying degrees of risk, and it should not be assumed that future performance of any specific investment or investment strategy (including the investments and/or investment strategies recommended or undertaken by MACRO) will be profitable or equal any specific performance level(s).

B. MACRO's methods of analysis and investment strategies do not present any significant or unusual risks. However, every method of analysis has its own inherent risks. To perform an accurate market analysis MACRO must have access to current/new market information. MACRO has no control over the dissemination rate of market information; therefore, unbeknownst to MACRO, certain analyses may be compiled with outdated market information, severely limiting the value of MACRO's analysis. Furthermore, an accurate market analysis can only produce a forecast of the direction of market values. There can be no assurances that a forecasted change in market value will materialize into actionable and/or profitable investment opportunities.

MACRO's primary investment strategies - Long Term Purchases, Short Term Purchases, and Trading - are fundamental investment strategies. However, every investment strategy has its own inherent risks and limitations. For example, longer term investment strategies require a longer investment time period to allow for the strategy to potentially develop. Shorter term investment strategies require a shorter investment time period to potentially develop but, as a result of more frequent trading, may incur higher transactional costs when compared to a longer term investment strategy. Trading, an investment strategy that requires the purchase and sale of securities within a thirty (30) day investment time period, involves a very short investment time period but will incur higher transaction costs when compared to a short term investment strategy and substantially higher transaction costs than a longer term investment strategy.

- C. Currently, MACRO primarily allocates client investment assets among various exchange-traded funds and mutual funds, on a discretionary basis, and *Independent Manager[s]* in accordance with the client's designated investment objective(s). (See Independent Managers above).

## **Item 9           Disciplinary Information**

MACRO and its management staff have not been the subject of any disciplinary actions.

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

- A. **Registered Representatives of LPL.** As disclosed above in Item 5.E, certain of MACRO's representatives are also, in their individual capacities, registered representatives of *LPL*, an SEC Registered and FINRA member broker-dealer. Clients can choose to engage those representatives in their individual capacities, to effect securities brokerage transactions on a commission basis.

**Conflict of Interest:** The recommendation by certain of MACRO's representatives that a client purchase a securities commission product presents a *conflict of interest*, as the receipt of commissions may provide an incentive to recommend investment products based on commissions to be received, rather than on a particular client's need. No client is under any obligation to purchase any securities commission products from MACRO's representatives. Clients are reminded that they may purchase securities products recommended by MACRO through other, non-affiliated registered representatives and/or broker dealers. **MACRO's Chief Compliance Officer, Heidi Heath, remains available to address any questions that a client or prospective client may have regarding the above conflict of interest.**

- B. Neither MACRO, nor its representatives, are registered or have an application pending to register, as a futures commission merchant, commodity pool operator, a commodity-trading advisor, or a representative of the foregoing.
- C. **Licensed Insurance Agents.** As referenced in Item 4.B above, certain of MACRO's representatives are, in their individual capacities, licensed insurance agents. Clients can choose to engage those representatives in their individual capacities, to purchase insurance products on a commission basis.

**Conflict of Interest:** The recommendation by certain of MACRO's representatives that a client purchase insurance commission products presents a *conflict of interest*, as the receipt of commissions may provide an incentive to recommend insurance products based on commissions to be received, rather than on a particular client's need. No client is under any obligation to purchase any insurance products from MACRO's representatives. Clients are reminded that they may purchase insurance products recommended by MACRO through other, non-affiliated insurance agents and/or insurance agencies. **MACRO's Chief Compliance Officer, Heidi Heath, remains available to address any questions that a client or prospective client may have regarding the above conflict of interest.**

- D. MACRO does not receive, directly or indirectly, compensation from investment advisors that it recommends or selects for its clients.

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

- A. MACRO maintains an investment policy relative to personal securities transactions. This investment policy is part of MACRO's overall Code of Ethics, which serves to establish a standard of business conduct for all of MACRO's representatives that is based upon fundamental principles of openness, integrity, honesty and trust, a copy of which is available upon request.

In accordance with Section 204A of the Investment Advisers Act of 1940, MACRO also maintains and enforces written policies reasonably designed to prevent the misuse of material non-public information by MACRO or any person associated with MACRO.

- B. Neither MACRO nor any related person of MACRO recommends, buys, or sells for client accounts, securities in which MACRO or any related person of MACRO has a material financial interest.
- C. MACRO and/or representatives of MACRO *may* buy or sell securities that are also recommended to clients. This practice may create a situation where MACRO and/or representatives of MACRO are in a position to materially benefit from the sale or purchase of those securities. Therefore, this situation creates a potential conflict of interest. Practices such as "scalping" (i.e., a practice whereby the owner of shares of a security recommends that security for investment and then immediately sells it at a profit upon the rise in the market price which follows the recommendation) could take place if MACRO did not have adequate policies in place to detect such activities. In addition, this requirement can help detect insider trading, "front-running" (i.e., personal trades executed prior to those of MACRO's clients) and other potentially abusive practices.

MACRO has a personal securities transaction policy in place to monitor the personal securities transactions and securities holdings of each of MACRO's "Access Persons". MACRO's securities transaction policy requires that an Access Person of MACRO must provide the Chief Compliance Officer or his/her designee with a written report of their current securities holdings within ten (10) days after becoming an Access Person. Additionally, each Access Person must provide the Chief Compliance Officer or his/her designee with a written report of the Access Person's current securities holdings at least once each twelve (12) month period thereafter on a date MACRO selects; provided, however that at any time that MACRO has only one Access Person, he or she shall not be required to submit any securities report described above.

- D. MACRO and/or representatives of MACRO *may* buy or sell securities, at or around the same time as those securities are recommended to clients. This practice creates a situation where MACRO and/or representatives of MACRO are in a position to materially benefit from the sale or purchase of those securities. Therefore, this situation creates a potential conflict of interest. As indicated above in Item 11.C, MACRO has a personal securities transaction policy in place to monitor the personal securities transaction and securities holdings of each of MACRO's Access Persons.

## Item 12 Brokerage Practices

- A. In the event that the client requests that MACRO recommend a broker-dealer/custodian for execution and/or custodial services (exclusive of those clients that may direct MACRO to use a specific broker-dealer/custodian), MACRO generally recommends that investment management accounts be maintained at *LPL Financial*, *Fidelity*, *Foliofn* and/or *TD Ameritrade*. Prior to engaging MACRO to provide investment management services, the client will be required to enter into a formal *Investment Advisory Agreement* with MACRO setting forth the terms and conditions under which MACRO shall manage the client's assets, and a separate custodial/clearing agreement with each designated broker-dealer/custodian.

Factors that MACRO considers in recommending *LPL Financial*, *Fidelity*, *Foliofn* and/or *TD Ameritrade* (or any other broker-dealer/custodian to clients) include historical relationship with MACRO, financial strength, reputation, execution capabilities, pricing, research, and service. Although the commissions and/or transaction fees paid by MACRO's clients shall comply with MACRO's duty to obtain best execution, a client may pay a commission that is higher than another qualified broker-dealer might charge to effect the same transaction where MACRO determines, in good faith, that the commission/transaction fee is reasonable in relation to the value of the brokerage and research services received. In seeking best execution, the determinative factor is not the lowest possible cost, but whether the transaction represents the best qualitative execution, taking into consideration the full range of a broker-dealer's services, including the value of research provided, execution capability, commission rates, and responsiveness. Accordingly, although MACRO will seek competitive rates, it may not necessarily obtain the lowest possible commission rates for client account transactions. The brokerage commissions or transaction fees charged by the designated broker-dealer/custodian are exclusive of, and in addition to, MACRO's investment management fee. MACRO's best execution responsibility is qualified if securities that it purchases for client accounts are mutual funds that trade at net asset value as determined at the daily market close.

### 1. Research and Additional Benefits

Although not a material consideration when determining whether to recommend that a client utilize the services of a particular broker-dealer/custodian, MACRO may receive from *LPL Financial*, *Fidelity*, *Foliofn* and/or *TD Ameritrade* (or another broker-dealer/custodian) without cost (and/or at a discount) support services and/or products, certain of which assist MACRO to better monitor and service client accounts maintained at such institutions. Included within the support services that may be obtained by MACRO may be investment-related research, pricing information and market data, software and other technology that provide access to client account data, compliance and/or practice management-related publications, discounted or gratis consulting services, discounted and/or gratis attendance at conferences, meetings, and other educational and/or social events, marketing support, computer hardware and/or software and/or other products used by MACRO in furtherance of its investment advisory business operations.

In selecting *TD Ameritrade* as the broker and custodian for certain of its current and future client accounts, MACRO takes into consideration its arrangement with *TD Ameritrade* as to obtaining price discounts for *TD Ameritrade*'s automatic portfolio rebalancing service for advisors known as "iRebal". The standard iRebal annual license fee applicable to MACRO is \$20,000. That fee is subject to specified

reductions (and even complete waiver) if specified amounts of client taxable assets are either already on the TD Ameritrade Institutional platform or are committed to be placed on it. Specified taxable client assets either maintained on or committed to the TD Ameritrade Institutional platform will bring fee reductions of up to \$20,000 per year for each of as many as three years or more. The non-taxable assets excluded from the maintenance and commitment levels described above are those that constitute “plan assets” of plans subject to Title 1 of the Employee Retirement Income Security Act of 1974, amended, or of plans as defined in Section 4975 of the Internal Revenue Code (which include IRAs). If MACRO does not maintain the relevant level of taxable assets on the TD Ameritrade Institutional platform, MACRO may be required to make a penalty fee payment to *TD Ameritrade* calculated on the basis of the shortfall. Although MACRO believes that the products and services offered by *TD Ameritrade* are competitive in the market place for similar services offered by other broker-dealers or custodians, the arrangement with *TD Ameritrade* as to the iRebal service may affect MACRO’s independent judgment in selecting or maintaining *TD Ameritrade* as the broker or custodian for client accounts.

TD Ameritrade Institutional. MACRO participates in the Institutional Advisor Program (the “*TD Program*”) offered by TD Ameritrade Institutional, which is a division of *TD Ameritrade Inc.*, member FINRA/SIPC/NFA (“*TD Ameritrade*”), an unaffiliated SEC-registered broker-dealer and FINRA member. TD Ameritrade offers to independent investment advisors services which include custody of securities, trade execution, clearance and settlement of transactions. MACRO receives some benefits from *TD Ameritrade* through its participation in the *TD Program*. There is no direct link between MACRO’s participation in the *TD Program* and the investment advice it gives to its clients, although MACRO receives economic benefits through its participation in the *TD Program* that are typically not available to *TD Ameritrade* retail investors. These benefits include the following products and services (provided without cost or at a discount): receipt of duplicate client statements and confirmations; research related products and tools; consulting services; access to a trading desk serving MACRO participants; access to block trading (which provides the ability to aggregate securities transactions for execution and then allocate the appropriate shares to client accounts); the ability to have advisory fees deducted directly from client accounts; access to an electronic communications network for client order entry and account information; access to mutual funds with no transaction fees and to certain institutional money managers; and discounts on compliance, marketing, research, technology, and practice management products or services provided to MACRO by third party vendors. *TD Ameritrade* may also have paid for business consulting and professional services received by MACRO’s related persons. Some of the products and services made available by *TD Ameritrade* through the program may benefit MACRO but may not benefit its client accounts. These products or services may assist MACRO in managing and administering client accounts, including accounts not maintained at *TD Ameritrade*. Other services made available by *TD Ameritrade* are intended to help MACRO manage and further develop its business enterprise. The benefits received by MACRO or its personnel through participation in the program do not depend on the amount of brokerage transactions directed to *TD Ameritrade*. As part of its fiduciary duties to clients, MACRO endeavors at all times to put the interests of its clients first. Clients should be aware, however, that the receipt of economic benefits by MACRO or its related persons in and of itself creates a potential conflict of

interest and may indirectly influence the MACRO's choice of *TD Ameritrade* for custody and brokerage services

As indicated above, certain of the support services and/or products that *may* be received may assist MACRO in managing and administering client accounts. Others do not directly provide such assistance, but rather assist MACRO to manage and further develop its business enterprise.

MACRO's clients do not pay more for investment transactions effected and/or assets maintained at *LPL Financial*, *Fidelity*, *Foliofn* and/or *TD Ameritrade* as a result of this arrangement. There is no corresponding commitment made by MACRO to *Fidelity*, *Foliofn* and/or *TD Ameritrade* or any other entity to invest any specific amount or percentage of client assets in any specific mutual funds, securities or other investment products as a result of the above arrangement.

**MACRO's Chief Compliance Officer, Heidi Heath, remains available to address any questions that a client or prospective client may have regarding the above arrangement and any corresponding perceived conflict of interest such arrangement may create.**

2. MACRO does not receive referrals from broker-dealers.
3. MACRO does not generally accept directed brokerage arrangements (when a client requires that account transactions be effected through a specific broker-dealer). In such client directed arrangements, the client will negotiate terms and arrangements for their account with that broker-dealer, and MACRO will not seek better execution services or prices from other broker-dealers or be able to "batch" the client's transactions for execution through other broker-dealers with orders for other accounts managed by MACRO. As a result, the client may pay higher commissions or other transaction costs or greater spreads, or receive less favorable net prices, on transactions for the account than would otherwise be the case.

**Please Note:** In the event that the client directs MACRO to effect securities transactions for the client's accounts through a specific broker-dealer, the client correspondingly acknowledges that such direction may cause the accounts to incur higher commissions or transaction costs than the accounts would otherwise incur had the client determined to effect account transactions through alternative clearing arrangements that may be available through MACRO.

**MACRO's Chief Compliance Officer, Heidi Heath, remains available to address any questions that a client or prospective client may have regarding the above arrangement.**

- B. To the extent that MACRO provides investment management services to its clients, the transactions for each client account generally will be effected independently, unless MACRO decides to purchase or sell the same securities for several clients at approximately the same time. MACRO may (but is not obligated to) combine or "bunch" such orders to obtain best execution, to negotiate more favorable commission rates or to allocate equitably among MACRO's clients differences in prices and commissions or other transaction costs that might have been obtained had such orders been placed independently. Under this procedure, transactions will be averaged as to price and will



be allocated among clients in proportion to the purchase and sale orders placed for each client account on any given day. MACRO shall not receive any additional compensation or remuneration as a result of such aggregation.

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

- A. For those clients to whom MACRO provides investment advisory services, account reviews are conducted on an ongoing basis by MACRO's Principals and/or representatives. All investment advisory clients are advised that it remains their responsibility to advise MACRO of any changes in their investment objectives and/or financial situation. All clients (in person or via telephone) are encouraged to review financial planning issues (to the extent applicable), investment objectives and account performance with MACRO on an annual basis.
- B. MACRO *may* conduct account reviews on an "other than periodic" basis upon the occurrence of a triggering event, such as a change in client investment objectives and/or financial situation, market corrections and client request.
- C. Clients are provided, at least quarterly, with written transaction confirmation notices and regular written summary account statements directly from the broker-dealer/custodian and/or program sponsor for the client accounts. MACRO may also provide a written periodic report summarizing account activity and performance.

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

- A. As referenced in Item 12.A.1 above, MACRO may receive an indirect economic benefit from *LPL Financial*, *Fidelity*, *Foliofn* and/or *TD Ameritrade*. MACRO, without cost (and/or at a discount), may receive support services and/or products from *LPL Financial*, *Fidelity*, *Foliofn* and/or *TD Ameritrade*. MACRO's clients do not pay more for investment transactions effected and/or assets maintained at *Fidelity*, *Foliofn* and/or *TD Ameritrade* as a result of this arrangement. There is no corresponding commitment made by MACRO to *LPL Financial*, *Fidelity*, *Foliofn* and/or *TD Ameritrade* or any other entity to invest any specific amount or percentage of client assets in any specific mutual funds, securities or other investment products as a result of the above arrangement.

As indicated in Item 12 above, MACRO participates in the *TD Program* offered by TD Ameritrade Institutional, which is a division of *TD Ameritrade Inc.*, member FINRA/SIPC/NFA ("TD Ameritrade"), an unaffiliated SEC-registered broker-dealer and FINRA member. TD Ameritrade offers to independent investment advisors services which include custody of securities, trade execution, clearance and settlement of transactions. MACRO may also recommend *TD Ameritrade* to Clients for custody and brokerage services. There is no direct link between MACRO's participation in the *TD Program* and the investment advice it gives to its clients, although MACRO receives economic benefits through its participation in the *TD Program* that are typically not available to *TD Ameritrade* retail investors. These benefits include the following products and services (provided without cost or at a discount): receipt of duplicate client statements and confirmations; research related products and tools; consulting services; access to a trading desk serving MACRO participants; access to block trading (which provides the ability to aggregate securities transactions for execution and then allocate the appropriate shares to client accounts); the ability to have advisory fees deducted directly from client accounts; access to an electronic communications network for client order entry and account information; access to mutual funds with no transaction fees and to

certain institutional money managers; and discounts on compliance, marketing, research, technology, and practice management products or services provided to MACRO by third party vendors. *TD Ameritrade* may also have paid for business consulting and professional services received by MACRO's related persons. Some of the products and services made available by *TD Ameritrade* through the program may benefit MACRO but may not benefit its client accounts. These products or services may assist MACRO in managing and administering client accounts, including accounts not maintained at *TD Ameritrade*. Other services made available by *TD Ameritrade* are intended to help MACRO manage and further develop its business enterprise. The benefits received by MACRO or its personnel through participation in the *TD Program* do not depend on the amount of brokerage transactions directed to *TD Ameritrade*. As part of its fiduciary duties to clients, MACRO endeavors at all times to put the interests of its clients first. Clients should be aware, however, that the receipt of economic benefits by MACRO or its related persons in and of itself creates a potential conflict of interest and may indirectly influence the MACRO's choice of *TD Ameritrade* for custody and brokerage services.

**MACRO's Chief Compliance Officer, Heidi Heath, remains available to address any questions that a client or prospective client may have regarding the above arrangement and any corresponding perceived conflict of interest any such arrangement may create.**

- B. If a client is introduced to MACRO by either an unaffiliated or an affiliated solicitor, MACRO may pay that solicitor a referral fee in accordance with the requirements of Rule 206(4)-3 of the Investment Advisers Act of 1940, and any corresponding state securities law requirements. Any such referral fee shall be paid solely from MACRO's investment management fee, and shall not result in any additional charge to the client. If the client is introduced to MACRO by an unaffiliated solicitor, the solicitor, at the time of the solicitation, shall disclose the nature of his/her/its solicitor relationship, and shall provide each prospective client with a copy of MACRO's written Brochure with a copy of the written disclosure statement from the solicitor to the client disclosing the terms of the solicitation arrangement between MACRO and the solicitor, including the compensation to be received by the solicitor from MACRO.

## **Item 15      Custody**

MACRO shall have the ability to have its advisory fee for each client debited by the custodian on a quarterly basis. Clients are provided, at least quarterly, with written transaction confirmation notices and regular written summary account statements directly from the broker-dealer/custodian and/or program sponsor for the client accounts. MACRO may also provide a written periodic report summarizing account activity and performance.

**Please Note:** To the extent that MACRO provides clients with periodic account statements or reports, the client is urged to compare any statement or report provided by MACRO with the account statements received from the account custodian. **Please Also Note:** The account custodian does not verify the accuracy of MACRO's advisory fee calculation.

## **Item 16          Investment Discretion**

The client can determine to engage MACRO to provide investment advisory services on a discretionary basis. Prior to MACRO assuming discretionary authority over a client's account, the client shall be required to execute an *Investment Advisory Agreement*, naming MACRO as the client's attorney and agent in fact, granting MACRO full authority to buy, sell, or otherwise effect investment transactions involving the assets in the client's name found in the discretionary account.

Clients who engage MACRO on a discretionary basis may, at anytime, impose restrictions, **in writing**, on MACRO's discretionary authority (i.e. limit the types/amounts of particular securities purchased for their account, exclude the ability to purchase securities with an inverse relationship to the market, limit or proscribe MACRO's use of margin, etc.).

## **Item 17          Voting Client Securities**

- A. MACRO does not vote client proxies. Clients maintain exclusive responsibility for: (1) directing the manner in which proxies solicited by issuers of securities beneficially owned by the client shall be voted, and (2) making all elections relative to any mergers, acquisitions, tender offers, bankruptcy proceedings or other type events pertaining to the client's investment assets.
- B. Clients will receive their proxies or other solicitations directly from their custodian. Clients may contact MACRO to discuss any questions they may have with a particular solicitation.

## **Item 18          Financial Information**

- A. MACRO does not solicit fees of more than \$1,200, per client, six months or more in advance.
- B. MACRO is unaware of any financial condition that is reasonably likely to impair its ability to meet its contractual commitments relating to its discretionary authority over certain client accounts.
- C. MACRO has not been the subject of a bankruptcy petition.

**ANY QUESTIONS: MACRO's Chief Compliance Officer, Heidi Heath remains available to address any questions that a client or prospective client may have regarding the above disclosures and arrangements.**