

**TAM Portfolios LLC**  
**Form ADV Part 2A Firm Brochure**

This brochure provides information about the qualifications and business practices of *TAM Portfolios LLC*. If you have any questions about the contents of this brochure, please contact us at (877) 929-1510 or by email at: [info@tamportfolios.com](mailto:info@tamportfolios.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 TAM Portfolios, is also available on the SEC's website at [www.adviserinfo.sec.gov](http://www.adviserinfo.sec.gov). TAM Portfolios CRD number is: 143806

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

*Version Date: 05/20/2014*

## **Item 2: Summary of Material Changes**

*Changes made to brochure since last annual update on January 29, 2013:*

*On January 23, 2014 we applied for SEC registration and our approval was granted on February 21, 2014. SEC registration does not imply a certain level of skill or training. Our ADV Part 2A changes are listed below:*

- *Item 4*
  - *Section A*      *Updated Description of Advisory Firm*
  - *Section B*      *Updated Description of Advisory Services*
- *Defined Types of Accounts*
  - *Section E*      *Updated Assets Under Management*
- *Item 5, Section B*      *Added Additional Fee Schedules*
- *Item 6, Section B*      *Added Side-By-Side Management*
- *Item 7*
  - *Section A*      *Updated Types of Clients*
  - *Section B*      *Updated Minimum Account*
- *Item 8*
  - *Section A*      *Updated Methods of Analysis*
  - *Section B*      *Updated Investment Strategies*
  - *Section C*      *Updated Material Risks*
- *Item 10, Section C*      *Updated Registration Potential Conflict of Interest*
- *Item 12*
  - *Section A*      *Updated Factors to Select Custodians*
  - *Section B*      *Added Aggregating (Block) Trading*
  - *Section C*      *Updated Trade Errors*

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

##### **A. Description of the Advisory Firm**

TAM Portfolios, LLC (hereinafter “TAM Portfolios.” or “The Firm”) is a registered investment advisor based in Orlando, FL. The Firm has been in business since June 4, 2007, and is wholly owned by the entity, Tesseract Asset Management, LLC (“Tesseract”). Tesseract’s primary owner (over 25%) is TF Capital Holdings Irrevocable Trust.

##### **B. Types of Advisory Services**

TAM Portfolios, a third-party money management firm, specializes in systematic, risk-controlled portfolios primarily offered through TAMPs such as SMAs, Wrap Fee Programs, and UMAs. The Firm offers its tactical core products to, but not limited to Registered Independent Advisors, IBD’s Family Offices and High Net Worth Individuals, primarily through Exchange Traded Fund (ETF) managed strategies.

All TAM Portfolios’ products are constructed as tactical core strategies but have the proficiency to be employed as overlays in MMAs (multi-manager accounts). The strategies are engineered to provide our partners/investors with the ability to remain invested within the respective asset category without having to reallocate, regardless of market condition.

TAM Portfolios’ investment strategies...

<b>SAGE</b>	<b>Systematic All-weather Growth ETF,</b>
<b>BIG</b>	<b>Blue-waters Income &amp; Growth Strategy</b>
<b>PULSE</b>	<b>Primary-core Unbiased Long/Short ETF</b>

...are offered as follows:

##### **1. Separate Accounts**

TAM Portfolios functions as a discretionary third-party money management firm by providing investment advisory services to separate account clients, both directly and through co-advisement and sub-advisement relationships. In the case of third-party accounts, it is the decision of the client and the sponsoring Advisor which of the TAM Portfolios strategies best meet the needs of that client. Once strategy is selected, and the client allocated accordingly, TAM Portfolios manages the third-party account in the same manner as any other TAM Portfolios managed account.

##### **Sub-Advisory Arrangements:**

TAM Portfolios and the sponsoring Advisor enter into a Sub-Advisory agreement, in which the two parties agree to TAM

Portfolios management of the client's account. It is the responsibility of the sponsoring Advisor to enter into agreements between the client and the custodian, as third-party clients do not typically enter into an agreement with the direct client.

### **Direct Clients**

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TAM Portfolios offers the benefits of its Separate Accounts to its direct clients. In these situations, The Firm performs the roles played by sponsored Advisors in third-party arrangements.

## **2. *Unified Managed Account Programs***

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TAM Portfolios provides the model of its investment strategies for the use of other investment advisers through Unified Managed Account Programs. As the information provided within these arrangements is the model only, with The Firm providing only design and regular updates, the Adviser utilizing the model has full discretion of investment within client accounts and may deviate from model suggestions. TAM Portfolios retains no discretion over client accounts utilizing its strategies in this manner.

## **3. *Investment Supervisory Services***

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From time to time TAM Portfolios offers ongoing portfolio management services based on the individual goals, objectives, time horizon, and risk tolerance of each client. TAM Portfolios 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 (the Investment Policy Statement) to aid in the selection of a portfolio that matches each client's specific situation. Investment Supervisory Services include, but are not limited to, the following:

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

TAM Portfolios evaluates the current investments of each client with respect to their risk tolerance levels and time horizon. TAM Portfolios 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.

## **4. *Types of Investments***

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TAM Portfolios strategies/portfolios typically recommend equities, exchange traded funds, mutual funds, and U.S. Government securities. The portfolios do NOT employ direct investment in derivatives (options), futures or commodities.

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

TAM Portfolios will only accept individual direct clients if they are qualified as 'Accredited Investors' under SEC Rule 501 of Regulation D and as amended by the Dodd-Frank Wall Street Reform and Consumer Protection Act. As such, TAM Portfolios offers the same suite of services to all of its individual direct clients.

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 TAM Portfolios from properly servicing the client account, or if the restrictions would require TAM Portfolios to deviate from its standard suite of services, TAM Portfolios reserves the right to end the relationship.

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

TAM Portfolios provides its investment strategies to accounts under wrap fee programs sponsored by other firms. The program sponsors, not TAM Portfolios, recommend and assist clientele in selecting an appropriate TAM Portfolios investment strategy, taking into account their financial situation and investment objectives. TAM Portfolios may allow reasonable investment restrictions if they do not differ materially from a strategy's investment objectives. Clients who impose investment restrictions should be aware that the performance of their accounts may differ from that of the investment strategies.

TAM Portfolio's role is to manage the client's account according to the strategy and receives a portion of the wrap fee for providing these strategies.

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

TAM Portfolios has the following Assets Under Management:

Discretionary Amounts:	Non-discretionary Amounts:	Date Calculated:
\$6,175,829.00	\$0.00	12/31/2013

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

### ***A. Fee Overview***

Advisory fees, as described in the investment advisory agreement, are negotiable, depending on individual client circumstances. Fees are paid quarterly in advance based on the gross asset value of the portfolio(s) as reflected by the data submitted to us by the custodian.

Clients may terminate their contracts with thirty days' written/electronic notice. Refunds are given on a prorated basis, based on the number of days remaining in a quarter at the point of termination.



Clients may terminate their contracts without penalty, for full refund, within 5 business days of signing the advisory contract. Advisory fees are withdrawn directly from the client's accounts with client written authorization.

We will send an invoice for the payment of our advisory fee, or, when given written authority, we will deduct our fee directly from an account through the qualified custodian holding the funds and securities. The qualified custodian will deliver an account statement to the client at least quarterly.

We encourage clients to review the statement(s) received from the qualified custodian. If you find any inaccurate information with the statement(s) you receive from the qualified custodian, please call our main office number located on the cover page of this Brochure.

## **B. Fee Schedule**

### **1. Separate Account Management Fees**

Client's Aggregate Asset Level	\$0M - \$10M	\$10M - \$25M	\$25M - \$50M	\$50M-\$100M	\$100M+
	1.0%	0.9%	0.8%	0.7%	Neg.

### **2. Sub-Advisor Management Fees**

Client's Aggregate Asset Level	\$0-\$10M	\$10M-\$50M	\$50M-\$100M	\$100M-\$250M	\$250M+
	1.0%	0.9%	0.8%	0.7%	Neg.

### **3. Investment Supervisory Services Fees (Direct Clients)**

Client's Aggregate Asset Level	\$0-\$0.5M	\$0.5M-\$1M	\$1M-\$2.5M	\$2.5M-\$5M	\$5M+
	1.5%	1.25%	1.0%	0.9%	Neg.

### **4. UMA (Unified Managed Accounts)/Model Portfolio Fees**

Client's Aggregate Asset Level	\$0-\$10M	\$10M-\$50M	\$50M-\$100M	\$100M-\$250M	\$250M+
	0.45%	0.45%	0.45%	0.45%	Neg.

### **5. Wrap Fee Program Fees**

The sponsors of the wrap program have contracts with the client to perform investment manager and/or custodian services. Clients pay a single all-inclusive fee quarterly in advance to the wrap fee sponsor based on net assets under management. From the all-

inclusive fee, the sponsor will pay TAM Portfolios a management fee which generally follows the dual contract or sub-adviser fee schedule above.

TAM Portfolios, LLC retains discretion to modify any of the above fee structures depending on size, complexity, and nature of the portfolio managed. The fees may be negotiable on a client-to-client basis.

### ***C. Payment of Fees***

#### ***1. Payment of Third-Party Management Fees***

Advisory fees are typically billed in advance on a quarterly basis. New client intra-quarter allocations are feed at the time of allocation based upon the value of the account and prorated for the month of the quarter in which the investment is made.

Fees will be paid by the sponsoring Advisor based on invoices sent from TAM Portfolios. It is the responsibility of the sponsoring Advisor to deduct fees from client's accounts unless otherwise agreed upon between that Advisor and TAM Portfolios, LLC. Should this agreement exist between the two parties, TAM Portfolios will deduct fees directly from the client's accounts held by qualified custodian.

#### ***2. Payment of Investment Supervisory Fees***

Advisory fees are withdrawn directly from the client's accounts with client written authorization. Fees are paid quarterly in advance.

### ***D. Clients Are Responsible For Third Party Fees***

Other than WRAP Fee Accounts, clients are responsible for the payment of all third party fees (i.e. custodian fees, mutual fund fees, transaction fees, etc.). Those fees are separate and distinct from the management charged by TAM Portfolios.

These fees are not determined by TAM Portfolios and vary based on the resulting custodian, servicing advisor, broker-dealer and/or account administer. These fees are on a per-transaction basis and deducted from the client account.

Please see Item 12 of this brochure regarding broker/custodian.

### ***E. Collection of Fees***

TAM Portfolios collects fees in advance. Fees that are collected in advance will be refunded based on the prorated amount of work completed at the point of termination and the total days during the billing period. Fees will be returned within fourteen days to the client via check.

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

Neither TAM Portfolios nor its supervised persons accept any compensation for the sale of securities or other investment products, including asset-based sales charges or services fees from the sale of mutual funds.

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

#### ***A. Performance-Based Fees***

TAM Portfolios does not accept performance-based fees or other fees based on a share of capital gains on or capital appreciation of the assets of a client.

#### ***B. Side-By-Side Management***

TAM Portfolios simultaneously manages the portfolios of the Private Funds, Registered Funds and separately accounts, including wrap fee programs according to the same or similar investment strategy (i.e. side-by-side management). The simultaneous management of these different investment products creates certain conflicts of interest, as the fees for the management of certain types of products are higher than others. Nevertheless, when managing the assets of such accounts, TAM Portfolios has an affirmative duty to treat all such accounts fairly and equitably over time.

Although TAM Portfolios has a duty to treat all portfolios within an investment strategy fairly and equitably over time, such portfolios will not necessarily be managed the same at all times. Specifically, there is no requirement that TAM Portfolios use the same investment practices consistently across all portfolios. TAM Portfolios will not necessarily purchase or sell the same securities at the same time or in the same proportionate amounts for all eligible portfolios, and a client's performance will not necessarily be reflective of the performance of a separate account, including a wrap account, managed using a similar strategy, due to a variety of factors including differences in cash flows and the timing of trading.

As a result, although TAM Portfolios manages multiple portfolios with similar or identical investment objectives, or may manage accounts with different objectives that trade in the same securities, the portfolio decisions relating to these accounts, and the performance resulting from such decisions, may differ from portfolio to portfolio.

## **Item 7: Types of Clients & Minimum Account**

### **A. Types of Clients:**

1. *Third-party clients*
2. *High-Net-Worth Individuals*
3. *Corporations or Business Entities*
4. *Institutions (Pension and Profit-Sharing Plans)*
5. *Sub-Advisory to other Funds*
6. *Independent Broker-Dealers*
7. *Other Investment Advisers*

### **B. Minimum Account Size**

The Minimum Account Size recommended is \$250,000.00 for individual clientele and third party relationships and an aggregated \$5,000,000.00 for institutions, although the Principal Executive Officers and Management Persons have discretion to accept lesser amounts.

When referred to the Firm by an intermediary, we may waive the minimum requirement. The typical account minimum when referred by an intermediary (investment adviser representative, registered representative or investment consultant) is \$100,000. The Firm may also combine account values for you and your children, joint accounts with your spouse, and other types of related accounts to meet the stated minimum. The Firm has the right to terminate your account if it falls below a minimum size which, in our sole opinion, is too small to effectively manage.

## **Item 8: Methods of Analysis, Tesseract/TAM Portfolios Affiliation, Investment Strategies & Risk of Investment Loss**

### **A. Methods of Analysis – Fusion Analysis**

TAM Portfolios uses a method of analysis termed Fusion. Fusion Analysis is the unification of a multi-disciplined analysis approach combining Fundamental, Technical, Behavioral analysis managed through a proprietary quantitative screening methodology.

In doing so, all the firm's portfolios/strategies are strategically tactical in nature and remove the majority of any non-critical influence (noise) and therefore, portfolio subjectivity.

#### **1. Fusion Analysis**

...involves the unification of Technical, Fundamental and Behavioral analysis with an inherent overlay of behavioral economics and psychology.

## 2. Technical Analysis

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...involves the analysis of past market data; primarily price and volume. It is the purest form of quantification of the traditional neo-classical microeconomic model – the Law of Supply and Demand.

## 3. Fundamental Analysis

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...has two primary constructs. The first is Qualitative and measures such things as the quality of the management team and competitive advantage. The second is Quantitative and involves the analysis of financial statements and the general health and growth of companies. TAM Portfolios predominantly focuses on the latter as it is easily measurable and can consistently be ran through a quantifiable process.

## 4. Quantitative Analysis

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...involves applying mathematic, stochastic indicators calculated to finance. TAM Portfolios uses quantitative screening processes to determine cyclical market direction to asset in asset selection.

## 5. Cyclical Analysis

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...involves the analysis of market, risk and business cycles to ascertain the current non-linear risk profile of the market and therefore, strategy exposure levels.

## B. ETF Based Investment Strategies

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### 1. Core Satellite/ Sector Rotation

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**Systematic All-weather Growth ETF (SAGE) strategy** is a core-satellite tactical portfolio which centers on Fusion Analysis (unification of Fundamental, Technical, Behavioral and Quantitative Analysis) both to create opportunities for exponential returns and preserve capital by adjusting risk in the appropriate manner to circumvent large cyclical market drawdowns.

The strategy's purpose is to decipher, monitor and execute portfolio metrics on a systematic and repetitive basis using fusion-based algorithms and historically proven quantitative screens to maintain consistency of portfolio management and deployment of the strategy's hedge overlay.

### 2. Core Income and Growth

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**Blue-waters Income & Growth (BIG) strategy** is a long only tactically balanced portfolio which centers on Fusion Analysis (unification of Fundamental, Technical, Behavioral and Quantitative Analysis) both to create above-average yield and to preserve capital by adjusting risk in the appropriate manner to circumvent large cyclical market drawdowns.

The strategy's purpose is to decipher, monitor and execute portfolio metrics on a systematic and repetitive basis using fusion-based algorithms and historically proven quantitative screens to maintain consistency of portfolio management and deployment of the strategy's hedge overlay.

### **3. Core Long/Short**

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**Primary-core Unbiased Long/Short ETF (PULSE)** strategy is a long/short tactical portfolio which centers on Fusion Analysis (unification of Fundamental, Technical, Behavioral and Quantitative Analysis) to systematically create opportunities for exponential returns irrespective of cyclical (1-4 year) market direction.

The strategy's purpose is to decipher, monitor and execute portfolio metrics on a systematic and repetitive basis using fusion-based algorithms and historically proven quantitative screens to maintain consistency of portfolio management and deployment of the strategy's hedge/short allocation.

## **C. Material Risks Involved**

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**Investing in securities involves a risk of loss and clients should be prepared to bear such losses.**

### **1. Systematic Risk:**

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Investing involved risk which is not diversifiable through portfolio allocation, such as general market risk or aggregate risk. TAM Portfolios employed hedging techniques to aid in the circumvention of these risks. However, there is no guarantee these techniques can be deployed prior to a catastrophic event.

### **2. Strategy Risk:**

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The business of investing in securities is highly competitive and the identification of attractive investment opportunities is difficult and involves a high degree of uncertainty.

### **3. ETF Risk:**

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ETFs' managers trade fund investments in accordance with fund investment objectives. While ETFs generally provide diversification, risks can be significantly increased for funds concentrated in a particular sector of the market, or that primarily invest in small cap or speculative companies, use leverage (i.e., borrow money) to a significant degree, or concentrate in a particular type of security (i.e., equities) rather than balancing the fund with different types of securities. ETFs can be bought and sold throughout the day like stock and their price can fluctuate throughout the day. During times of extreme market volatility, ETF pricing may lag versus the actual underlying asset values. This lag usually resolves itself in a short period of time (usually less than one day), however, there is no guarantee this relationship will always occur.

#### **4. Institutional Risk:**

Suspensions of Trading - Securities and futures exchanges typically can suspend or limit trading in any instrument traded on the exchange resulting in substantial losses.

#### **5. Key Man Risk:**

Dependence on the investment manager and key personnel - The success of the strategies depends to a great extent on the quantitative algorithms engineered to limit any manager subjectivity or loss of key personnel. However, a loss of the investment manager and the principals do present some risk toward performance as the qualitative overlay could be adversely affected if illness or other factors caused there services to not be available.

### **D. Risks of Specific Securities and Timeframes Utilized**

TAM Portfolios generally seeks investment strategies that do not involve significant or unusual risk beyond that of the general domestic and/or international equity markets. However, it will utilize inverse (short) ETF's from time to time in order to hedge the portfolios and clients should be aware that there is a material risk of loss using any of those strategies.

#### **1. Exchange Traded Funds (ETF):**

Investing in stocks & ETF's carries the risk of capital loss (sometimes up to a 100% loss in the case of a stock holding bankruptcy). Investments in these securities are not guaranteed or insured by the FDIC or any other government agency.

#### **2. Long term trading**

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 other 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.

#### **3. Short term trading**

Short-term trading risks include liquidity, economic stability and inflation.

### **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.

***C. Self-regulatory Organization (SRO) Proceedings***

There are no Self-regulatory Organization (SRO) proceedings to report.

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

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

Neither TAM Portfolios nor its representatives are registered as or have pending applications to become a broker/dealer or as representatives of a broker/dealer.

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

Neither TAM Portfolios nor its representatives are registered as or have pending applications to become a Futures Commission Merchant, Commodity Pool Operator, or a Commodity Trading Advisor.

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

Anthony Frezza is the Chief Financial Officer of Tesseract Asset Management, LLC, as well as the Owner of Asset Architects, LLC. Asset Architects is a registered investment advisory firm which offers clients advice or products including, but not limited to, tax planning, certified financial planning and asset allocation. Clients should be aware that these services pay a commission and involve a possible conflict of interest, as commissionable products can conflict with the fiduciary duties of a registered investment adviser. TAM Portfolios always acts in the best interest of the client; including the sale of commissionable products to advisory clients.

***D. Selection of Other Advisors or Managers and How this Adviser is Compensated for those Selections***

TAM Portfolios will, from time to time, direct clients to other advisers who engage TAM Portfolios for their portfolio/strategy services. TAM Portfolios may be compensated via a fee share from the advisers to which it directs those clients. This relationship will be disclosed in each contract between TAM Portfolios and the adviser. The fees shared will not exceed any limit imposed by any regulatory agency.



This creates a conflict of interest in that TAM Portfolios has an incentive to direct clients to the advisers that provide TAM Portfolios with a larger fee split. TAM Portfolios will always act in the best interests of the client, including when determining which third party manager to recommend to clients. TAM Portfolios will ensure that all recommended advisers are licensed or have filed notice in the states in which TAM Portfolios is recommending them to clients.

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

***A. Code of Ethics***

TAM Portfolios 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. Our Code of Ethics is available free upon request to any client or prospective client.

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

TAM Portfolios does not recommend that clients buy or sell any security in which a related person to TAM Portfolios has a material financial interest.

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

From time to time, representatives of TAM Portfolios may buy or sell securities for themselves that they also recommend to clients. This may provide an opportunity for representatives of TAM Portfolios 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. TAM Portfolios will always document any transactions that could be construed as conflicts of interest and will always transact client business before their own 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 TAM Portfolios may buy or sell securities for themselves at or around the same time as clients. This may provide an opportunity for representatives of TAM Portfolios to buy or sell securities before or after recommending securities to clients resulting in representatives profiting off the recommendations they provide to clients. TAM Portfolios will always transact client's transactions before its own when similar securities are being bought or sold.

**Item 12: Brokerage Practices**

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

TAM Portfolios maintain relationships with several broker-dealers. We believe that recommended broker-dealers provide quality execution services for our clients at competitive prices. Price is not the sole factor we consider in evaluating best execution. We also consider the quality of the brokerage services provided by recommended broker-dealers, including the firm's reputation, execution capabilities, commission rates, and responsiveness to our clients and the Firm.

TAM Portfolios will never charge a premium or commission on transactions, beyond the actual cost imposed by the custodian.

***4. Research and Other Soft-Dollar Benefits***

TAM Portfolios does not employ a soft-dollar program.

***5. Brokerage for Client Referrals***

TAM Portfolios receives no referrals from a broker/dealer or third party in exchange for using that broker/dealer or third party.

***6. Clients Directing Which Broker/Dealer/Custodian to Use***

While clients are free to choose any broker-dealer or other service provider, we recommend that they establish an account with a brokerage firm with which we have an existing relationship. Such relationships may include benefits provided to the Firm, including but not limited to, administrative services that help the Firm manage client account(s).

TAM Portfolios may be unable to achieve most favorable execution of client transactions if clients choose to direct brokerage. This may cost clients money because without the ability to direct brokerage TAM Portfolios may not be able to aggregate orders to reduce transactions costs resulting in higher brokerage commissions and less favorable prices. Not all investment advisers allow their clients to direct brokerage.

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

TAM Portfolios maintains the ability to block trade purchases across accounts. Block trading may benefit a large group of clients by providing TAM Portfolios the ability to purchase larger blocks resulting in smaller transaction costs to the client. Declining to block trade can cause more expensive trades for clients.

Block trades combine multiple orders for shares of the same securities purchased for advisory accounts we manage. The shares are then distributed in portion to the participating accounts in a fair and equitable manner. This is done to ensure to the extent possible that all clients receive optimal execution and consistent results across our client base.

The distribution of the shares purchased is typically proportionate to the size of the account, and is not based on account performance or the amount or structure of management fees. Subject to our discretion regarding factual and market conditions, when we combine orders, each participating account pays an average price per share for all transactions and pays a proportionate share of all transaction costs. Accounts owned by the Firm or persons associated with the Firm may participate with your accounts in aggregated orders; however, they will not be given preferential treatment.

### ***C. Trade Errors***

Any occurrence of trade error must be immediately reported to Anthony Frezza. Resolutions of such issues are handled on a case-by-case basis, and any loss of funds will be reimbursed to the affected account.

## **Item 13:      *Reviews of Accounts***

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

Client accounts are regularly reviewed by operations with supervision and oversight by Managing Members. As the majority of funds under TAM Portfolios' advisement are assigned to one of our strategies, those accounts see regular rebalancing. Private client accounts are reviewed with client on an annual review basis, with interval meetings available to those clients upon request.

### ***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).

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

Each client will receive, at least quarterly from the custodian, an account statement that details the client's account, including assets held and asset value. In addition to the custodian's account statement, each client will receive Tesseract Asset Management's quarterly report outlining market conditions seen throughout that quarter, along with a one-page portfolio performance overview.

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

**A. Economic Benefits Provided by Third Parties for Advice Rendered to Clients and Client Referral Compensation**

TAM Portfolios does not receive any economic benefit, directly or indirectly from any third party for advice rendered to TAM Portfolios clients.

Third-party solicitors, e.g., unaffiliated broker-dealers and investment advisers, who are directly responsible for bringing a client to the Firm, may receive compensation from us for client referrals. Under these arrangements, the client will not pay higher fees than our typical advisory fees.

Such arrangements will comply with the requirements set forth under the Investment Advisers Act of 1940 and/or the applicable state Securities Act, including a written agreement between the Firm and the solicitor. Third-party solicitors must provide a copy of our Brochure and a separate solicitor's disclosure statement regarding the relationship between the solicitor and the Firm to the prospective client at the time of the solicitation or referral. The prospective client will be requested to acknowledge this arrangement prior to acceptance of the account for advisory services.

**B. Compensation to Non-Advisory Personnel for Client Referrals**

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

**Item 15: Custody**

TAM Portfolios, with client written authority, has limited custody of client's assets through direct fee deduction of TAM Portfolios fees only. If the client chooses to be billed directly by the applicable custodian, then TAM Portfolios would have constructive custody over that account and must have written authorization from the client to do so. Clients will receive in writing from the custodian all required account statements and billing invoices that are required in each jurisdiction, and they should carefully review those statements for accuracy.

The Private Funds are audited on an annual basis in accordance with generally accepted accounting principles and the financial statements are distributed to each investor within 120 days after their fiscal year-end or as otherwise permitted under Rule 206(4)-2 under the Investment Advisers Act of 1940.

If you have a question regarding your account statement or if you did not receive a statement from your custodian, please contact TAM Portfolios Client Service at 407.514.1260.

**Item 16: Investment Discretion**

For those clients' accounts where TAM Portfolios provides ongoing supervision, the client has given TAM Portfolios written discretionary authority over the client's accounts with respect to securities to be bought or sold and the amount of securities to be bought or sold. Details of this relationship are fully disclosed to the client before any advisory relationship has commenced. The client provides TAM Portfolios discretionary authority via a limited power of attorney in the Investment Advisory Contract and in the contract between the client and the custodian.

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

Upon request, we will vote proxies on behalf of advisory accounts or offer advice regarding corporate actions and the exercise of proxy voting rights. TAM Portfolios has been delegated the authority to vote proxies for the Registered Fund and the Private Funds.

We have adopted proxy voting policies and procedures (the "Proxy Voting Policies") to make every effort to ensure that we vote proxies in the best interest of clients and the value of the investment. The Proxy Voting Policies address how we will vote proxies with regard to specific matters, such as voting rights, mergers or acquisitions, the election of board members and other issues. The Proxy Voting Policies also direct TAM Portfolios to consider certain factors with regard to specific proxy proposals to assist the Firm in voting securities properly. Under the Proxy Voting Policies, we are also permitted to delegate the responsibility to a non-affiliated third party vendor to review proxy proposals and make voting recommendations on our behalf. We may also vote a proxy contrary to the Proxy Voting Policies if we determine that such action would be in our clients' best interest.

In most cases, clients receive proxy materials directly from the account custodian. However, in the event we receive any written or electronic proxy materials, we forward them directly by mail, unless the client has consented to electronic delivery, in which case, we forward any electronic solicitation to vote proxies.

**Item 18: Financial Information**

**A. Balance Sheet**

TAM Portfolios does not require nor solicit prepayment of more than \$1,200 in fees per client, six months or more in advance and therefore does not need to include a balance sheet with this brochure.

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

Neither TAM Portfolios nor its management have any financial conditions which are likely to reasonably impair our ability to meet contractual commitments to clients.

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

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

***Item 19: Requirements for State Registered Advisers***

Tam Portfolios is SEC registered.