

# Tuttle Tactical Management, LLC

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## **FORM ADV PART 2A BROCHURE**

This disclosure brochure provides clients with information about the qualifications and business practices of Tuttle Tactical Management, LLC, an SEC registered investment adviser. The information in this disclosure brochure has not been approved or verified by the SEC or by any state securities authority. Registration with the SEC does not imply that Tuttle Tactical Management, LLC or any individual providing investment advisory services on behalf of Tuttle Tactical Management, LLC possess a certain level of skill or training.

Please contact Matthew Tuttle, Chief Compliance Officer of Tuttle Tactical Management, LLC, at 347-852-0548 if you have any questions about the contents of this disclosure brochure. Additional information about Tuttle Tactical Management, LLC is available on the Internet at [www.adviserinfo.sec.gov](http://www.adviserinfo.sec.gov). You can search this site by a unique identifying number, known as a CRD number. The CRD number for Tuttle Tactical Management, LLC is 164937.

## **Item 2 – Material Changes**

This item discusses specific material changes to the Tuttle Tactical Management, LLC disclosure brochure.

Pursuant to current SEC Rules, Tuttle Tactical Management, LLC will ensure that clients receive a summary of any materials changes to this and subsequent disclosure brochures within 120 days of the close of the firm's fiscal year which occurs at the end of the calendar year. Tuttle Tactical Management, LLC may further provide other ongoing disclosure information about material changes as necessary.

Tuttle Tactical Management, LLC will also provide clients with a new disclosure brochure as necessary based on changes or new information, at any time, without charge.

**This brochure has been updated to reflect both the physical and mailing addressed for Tuttle Tactical Management, LLC.**

**This brochure has been updated to reflect the outside business activities of Henry Howard, Lisa S. Elkins and Andrew J Liebaert (Item 10).**

### Item 3 – Table of Contents

ITEM 4 - ADVISORY BUSINESS .....	1
ITEM 5 - FEES AND COMPENSATION.....	2
ITEM 6 - PERFORMANCE-BASED FEES AND SIDE-BY-SIDE MANAGEMENT .....	4
ITEM 7 - TYPES OF CLIENTS.....	4
ITEM 8 - METHODS OF ANALYSIS, INVESTMENT STRATEGIES AND RISK OF LOSS .....	5
ITEM 9 - DISCIPLINARY HISTORY.....	12
ITEM 10 - OTHER FINANCIAL INDUSTRY ACTIVITIES AND AFFILIATIONS.....	12
ITEM 11 - CODE OF ETHICS, PARTICIPATION OR INTEREST IN CLIENT TRANSACTIONS AND PERSONAL TRADING .....	13
ITEM 12 - BROKERAGE PRACTICES.....	14
ITEM 13 - REVIEW OF ACCOUNTS .....	15
ITEM 14 - CLIENT REFERRALS AND OTHER COMPENSATION .....	15
ITEM 15 - CUSTODY.....	15
ITEM 16 - INVESTMENT DISCRETION .....	15
ITEM 17 - VOTING CLIENT SECURITIES .....	16
ITEM 18 - FINANCIAL INFORMATION.....	16

## Item 4 - Advisory Business

### A. The Company

Tuttle Tactical Management, LLC is a privately-held Delaware limited liability company that has been registered with the SEC since August 2012. Throughout this disclosure brochure, Tuttle Tactical Management, LLC is referred to as “TTM” or the “firm”. TTM was founded by, and is currently owned and operated under the control of, Matthew B. Tuttle.

### B. Advisory Services

TTM offers discretionary investment management services directly to clients through a co-advisory arrangement with other registered investment advisers and to other financial professionals through a sub-advisory arrangement.

TTM creates specialized tactical strategy portfolios that primarily utilize index mutual funds and exchange traded funds. The firm’s tactical strategy programs range from conservative to aggressive and take an active approach to investing in a number of different stock and bond markets. Please see Item 8 – Methods of Analysis, Investment Strategies, and Risk of Loss – for a more in-depth discussion of TTM’s tactical strategy programs.

#### *Sub-Advisory Services*

TTM offers sub-advisory investment management services to SEC and state-registered investment advisers, financial planning firms, broker-dealers, banks and other financial institutions (the “primary adviser”) that maintain on-going relationships with clients. When these arrangements exist, TTM will enter into an agreement with the primary adviser to provide investment management services to the clients it accepts from those firms (the “sub-advisory client”). TTM reserves the right, in its sole and absolute discretion, to not accept a client account under a sub-advisory arrangement.

Under the sub-advisory arrangement, the primary adviser remains responsible for determining sub-advisory clients’ investment objectives and whether one or more of the firm’s tactical strategy programs are suitable to meet such investment objectives. TTM is responsible for the discretionary management of the assets which the primary adviser has instructed be invested in one or more of the firm’s tactical strategy programs. Each tactical strategy program is designed to achieve particular investment goals. Accordingly, the tactical strategy programs are not tailored to accommodate the needs or objectives of specific clients, but rather, are designed to enable the primary adviser to match clients with a tactical strategy that is consistent with their investment goals and objectives.

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

TTM generally limits its investment advice and/or money management to mutual funds, equities, bonds, fixed income, debt securities, ETFs, real estate, hedge funds, REITs, insurance products including annuities, private placements, and government securities. TTM may use other securities as well to help diversify a portfolio when applicable.

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

### *Sub-Advisory Services*

Due to the nature of the tactical strategy programs, the primary adviser will not be able to impose restrictions on TTM's management of the tactical strategies. However, because TTM also offers customized tactical strategy programs as an investment option, the primary adviser may request that TTM develop a customized tactical strategy portfolio that takes into account certain reasonable restrictions. A restriction request may not be honored if it is fundamentally inconsistent with TTM's investment philosophy. It is in TTM's sole and absolute discretion whether or not to accept such restrictions.

## **D. Wrap Fee Programs**

TTM does not participate in wrap fee programs (*e.g.*, programs that offer services for one, all-inclusive fee).

## **E. Assets Under Management**

As of September 22, 2014, the total amount of client assets managed by TTM is approximately \$198,630,718 in 1442 client accounts with all accounts being managed on a discretionary basis.

## **Item 5 - Fees And Compensation**

### **A. Advisory Fees**

#### Sub-Advisory Services Fee

The annual fee for Sub-Advisory Services is charged as a percentage of assets under management and is equal to .47% of the value of the sub-advisory client's assets managed by TTM. The primary adviser will be required to obtain the sub-advisory client's authorization for TTM to deduct the firm's advisory fees directly from the sub-advisory client's account.

Typically, TTM will collect its fee in advance at the beginning of each calendar quarter, based upon the value (market value or fair market value in the absence of market value), of the sub-advisory client's portfolio at the end of the previous quarter. The first payment will be prorated to cover the period from the date that TTM is provided access to the sub-advisory client's account through the end of the next full calendar quarter. If a client's account is terminated mid-billing cycle a pro-rata portion of any fees charged will be returned to the client via an account refund if possible or via a check sent to client or primary adviser in the name of the client within 14 business days.

### **B. Payment Method**

#### Sub-Advisory Services

In order for TTM's advisory fees to be directly debited from a sub-advisory client's account, the primary adviser must obtain written authorization from the sub-advisory client permitting TTM to debit the Sub-Advisory Services fee directly from the sub-advisory client's account.

TTM will be responsible for deducting the entire advisory fee directly from the joint client's account and TTM will remit any fees due to the main adviser for its services pursuant to the Sub-Adviser Agreement.

### **C. Additional Fees and Expenses**

#### *Mutual Fund Fees and Exchange Traded Funds*

All fees paid to TTM for investment advisory services are separate and distinct from the fees and expenses charged by mutual funds and exchange traded funds to their shareholders. These fees and expenses are described in each fund's prospectus. These fees will generally include a management fee, other fund expenses, and a possible distribution fee. If the fund also imposes sales charges, a client may pay an initial or deferred sales charge. A client could invest in a mutual fund or exchange traded fund directly, without the services of TTM. In that case, the client would not receive the services provided by TTM.

To the extent that client assets are invested in money market funds or cash positions, the fees for monitoring those assets are in addition to the fees included in the internal expenses of those funds paid to their own investment managers, which are fully disclosed in each fund's prospectus. Accordingly, a client should review both the fees charged by the funds and the fees charged by TTM to fully understand the total amount of fees to be paid by the client and to thereby evaluate the advisory services being provided.

#### *Custodian, Trading, and Other Costs*

All fees paid to TTM for investment advisory services are separate and distinct from transaction fees charged by broker dealers associated with the purchase and sale of equity securities and options. In addition, fees do not include the services of any co-fiduciaries, accountants, broker dealers or attorneys. Please see Item 12 - Brokerage Practices - beginning on page 15 of this disclosure brochure for additional information.

### **D. Termination and Refunds**

#### *Sub-Advisory Services*

Either party may terminate the Sub-Advisory Agreement upon thirty (30) days prior written notice to the other party.

### **E. Additional Compensation**

Certain persons providing investment advice on behalf of TTM are licensed as independent insurance agents. These related persons will earn commission-based compensation for selling insurance products, including insurance products they sell to clients. They may, from time to time, also earn incentive awards, increased bonus payments or seminars/trips treated as earned compensation for the recommendation of insurance products. Insurance commissions earned by these related persons are separate and in addition to TTM's advisory fees. While these individuals endeavor at all times to put the interest of the clients first as part of TTM's fiduciary duty, clients should be aware that this practice presents a conflict of interest because individuals providing investment advice on behalf of the firm who are also insurance agents have an incentive to recommend insurance product to clients for the purpose of generating commissions, rather than solely based on client needs. However, clients are under no obligation, contractually or otherwise, to purchase insurance products through any individual affiliated with TTM.

## **F. Important Additional Information**

### *Fees Negotiable*

TTM retains the right to modify both co-advisory and sub-advisory fees, in its sole and absolute discretion, on a client-by-client basis based on the size, complexity and nature of the advisory services provided.

### *Cash Management*

Cash balances in client accounts are invested in money market mutual funds. These cash balances are included in the account market value for the computation of the investment management fee. TTM will maintain cash balances to meet foreseeable short-term client cash needs, as a temporary repository pending investment in other securities, or as a defensive position when market conditions are considered adverse. High cash balances may be maintained for new clients whose accounts initially consist of high cash positions as cash is gradually invested.

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

TTM does not accept performance-based fees or engage in side-by-side management. Side-by-side management refers to the practice of managing accounts that are charged performance-based fees while at the same time managing accounts that are not charged performance-based fees. Performance-based fees are fees that are based on a share of capital gains or capital appreciation of a client's account. The firm's fees are calculated as described above in Item 5 - Fees and Compensation - and are not charged on the basis of a share of the capital gains upon, or capital appreciation of, the funds in a client's account.

## **Item 7 - Types of Clients**

TTM provides investment management services through a sub-advisory arrangement with other SEC and state-registered investment advisers to: individuals (including high net worth individuals), pension and profit sharing plans, trusts, estates, charitable organizations, corporations and other types of business entities.

TTM provides Sub-Advisory Services to SEC or state-registered investment advisers, financial planning firms, broker-dealers, banks and other financial institutions that maintain on-going relationships with clients.

### **Engaging the Services of TTM**

#### *Sub-Advisory Services*

All financial institutions, including SEC and state-registered investment advisers, must first execute a sub-advisory agreement that provides TTM with the authority to invest all or some of the sub-advisory client's assets in one or more of the firm's tactical strategy programs. In addition, TTM must be provided with written authorization to access the sub-advisory client's account and directly deduct its advisory fees.

## Conditions for Managing Accounts

### *Sub-Advisory Services*

There is no minimum account size for new or existing Sub-Advisory Services clients. However TTM reserves the right to refuse any account for any reason at its sole discretion.

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

### A. Methods of Analysis and Investment Strategies

#### Security Analysis

TTM's security analysis methods may include, technical analysis, cyclical analysis and the use of technical trading models.

#### *Technical Analysis*

Technical analysis involves the examination of past market data rather than specific company data in determining which securities to buy/sell. Technical analysis may involve the use of various quantitative-based calculations, variation metrics and charts to identify market patterns and trends which may be based on investor sentiment rather than the fundamentals of a company. These trends may include put/call ratios, pricing trends, moving averages, volume, and changes in volume, among many others. These trends, both short and long-term, are used for determining specific trade entry and exit points and broad economic analysis.

#### *Cyclical Analysis*

Cyclical analysis is similar to technical analysis in that it involves the assessment of market conditions at a macro (e.g., the entire market/economy) or micro (e.g., company specific) level, rather than the overall fundamental analysis of the health of a particular company. Cyclical analysis involves the historical patterns and trends of securities, markets or economies as a whole in an effort to determine future behaviors, the estimation of price movement and an evaluation of a transaction before entry into the market in terms of risk and profit potential.

#### *Technical Trading Models*

Technical trading models are mathematically driven based upon historical data and trends of domestic and foreign market trading activity, including various industry and sector trading statistics within such markets. Technical trading models attempt to identify when markets are likely to increase or decrease and identify appropriate entry and exist points.

#### Investment Strategies

TTM's strategies include the following specific models:

##### Managed solely by TTM:

- TTM Trend Aggregation Income
- TTM Trend Aggregation Low Volatility
- TTM Trend Aggregation Absolute Return
- TTM Trend Aggregation Core
- TTM Trend Aggregation All Asset



TTM Trend Aggregation Growth  
 TTM Trend Aggregation 500  
 TTM Trend Aggregation Opportunity  
 TTM Trend Aggregation NASDAQ  
 TTM Trend Aggregation Ultra Strategy  
 TTM Momentum Income  
 TTM Momentum Low Volatility  
 TTM Momentum Absolute Return  
 TTM Momentum Core  
 TTM Momentum Growth  
 TTM Momentum Opportunity  
 TTM Tactical Core/Satellite  
 TTM Alpha

Managed by TTM + Third Party Advisers:

TTM/Barrack Yard Value-Momentum Strategy  
 TTM/Belpointe Alpha Select Strategy  
 TTM/Belpointe Core Tactical Strategy

Managed by TTM + Third Party Advisers (Mutual Funds and/or ETFs only):

TTM Multi Manager Moderately Conservative Tactical Strategy  
 TTM Multi Manager Moderate Tactical Strategy  
 TTM Multi Manager Moderately Aggressive Tactical Strategy  
 TTM Multi Manager Aggressive Strategy  
 TTM Multi Manager Core Tactical Strategy

*Tactical Asset Allocation*

Tactical Asset Allocation is about staying in harmony with market trends and countertrends. TTM seeks to invest in an asset once it has entered an uptrend and exit once it has entered a downtrend. TTM's approach involves using different methodologies - relative strength/momentum, countertrend analysis, inter-market analysis and different time frames (daily, weekly, monthly, etc.). Tactical asset allocation is an active management strategy that allows TTM to seek extra value by rebalancing the percentage of assets held in various categories to take advantage of strong market sectors.

TTM creates specialized tactical strategy portfolios that primarily utilize diversified baskets of exchange traded funds (ETFs) and index mutual funds. Portfolios can also include individual equity securities at the discretion of the portfolio manager. Tactical portfolios typically consist of up to 97% mutual funds and/or exchange traded funds, but may contain 100% cash in times of market distress. TTM may also customize tactical portfolios to fit the unique needs and situation of individual clients. TTM selects funds and securities for the tactical strategy portfolios that TTM believes are most suitable and consistent with the tactical investment philosophy of the firm.

TTM's tactical strategies are designed with four key guiding principles:

1. Protect and respect client's capital;
2. Recognize major market trends;
3. Make changes in portfolio allocations only when major market trends so dictate; and
4. Adjust to changing market conditions.

TTM may utilize different investment strategies based upon the specific tactical strategy or strategies involved, which include long-term purchases, short-term purchases, trading and option writing.

### *Tactical Strategy Models*

TTM's tactical strategy models range from conservative to aggressive and take an active approach to investing in a number of different stock and bond markets. A client's portfolio will often consist of multiple individual tactical strategies.

TTM's tactical strategy models can be grouped into the following categories:

#### Trend Aggregation Strategies

Trend Aggregation strategies combine momentum and countertrend analysis with the goal of staying in harmony with intermediate-term trends and short-term countertrends. Trend Aggregation strategies are designed to deliver strong returns during sustained bull markets and to move to defensive positions during sustained bear markets. They are not restricted to a minimum percentage of stocks, bonds, or cash. These strategies are well suited for qualified accounts.

#### Momentum Strategies

Momentum strategies use multiple momentum analysis models with the goal of staying in harmony with intermediate-term trends. Momentum strategies are designed to deliver strong returns during sustained bull markets and to move to defensive positions during sustained bear markets. They are not restricted to a minimum percentage of stocks, bonds, or cash. These strategies will have less trading activity than Trend Aggregation strategies and therefore might be more appropriate for non-qualified accounts.

#### Specialized Strategies

Specialized strategies are used for situations that need more focused exposure or less correlation to standard investments.

### Sources of Information

In conducting its security analysis, TTM may utilize the following sources of information: financial newspapers and magazines, research materials prepared by others, corporate rating services, timing services, annual reports, prospectuses, filings with the U.S. Securities and Exchange Commission, data services, and company press releases.

### Investing Involves Risk

Investing in securities involves risk of loss that each client should be prepared to bear. The value of a client's investment may be affected by one or more of the following risks, any of which could cause a client's portfolio return, the price of the portfolio's shares or the portfolio's yield to fluctuate:

- *Market Risk.* The value of portfolio assets will fluctuate as the stock or bond market fluctuates. The value of investments may decline, sometimes rapidly and unpredictably, simply because of economic changes or other events that affect large portions of the market.
- *Management Risk.* A client's portfolio is subject to management risk because it is actively managed by TTM's investment professionals. TTM will apply its investment techniques and risk analysis in making investment decisions for a client's portfolio, but there is no guarantee that these techniques and TTM's judgment will produce the intended results.
- *Quantitative Tools Risk.* Some of TTM's investment techniques may incorporate, or rely upon, quantitative models. There is no guarantee that these models will generate accurate forecasts, reduce risks or otherwise produce the intended results.
- *Interest Rate Risk.* Changes in interest rates will affect the value of a portfolio's investments in fixed-income securities. When interest rates rise, the value of investments in fixed-income securities tend to fall and this decrease in value may not be offset by higher income from new investments. Interest rate risk is generally greater for fixed-income securities with longer maturities or durations.
- *Credit Risk.* An issuer or guarantor of a fixed-income security, or the counterparty to a derivatives or other contract, may be unable or unwilling to make timely payments of interest or principal, or to otherwise honor its obligations. The issuer or guarantor may default causing a loss of the full principal amount of a security. The degree of risk for a particular security may be reflected in its credit rating. There is the possibility that the credit rating of a fixed-income security may be downgraded after purchase, which may adversely affect the value of the security. Investments in fixed-income securities with lower ratings tend to have a higher probability that an issuer will default or fail to meet its payment obligations.
- *Allocation Risk.* The allocation of investments among different asset classes may have a significant effect on portfolio value when one of these asset classes is performing more poorly than the others. As investments will be periodically reallocated, there will be transaction costs which may be, over time, significant. In addition, there is a risk that certain asset allocation decisions may not achieve the desired results and, as a result, a client's portfolio may incur significant losses.
- *Foreign (Non-U.S.) Risk.* A portfolio's investments in securities of non-U.S. issuers may involve more risk than those of U.S. issuers. These securities may fluctuate more widely in price and may be less liquid due to adverse market, economic, political, regulatory or other factors.
- *Emerging Markets Risk.* Securities of companies in emerging markets may be more volatile than those of companies in developed markets. By definition, markets, economies and government institutions are generally less developed in emerging market countries. Investment in securities of companies in emerging markets may entail special risks relating to the potential for social instability and the risks of expropriation, nationalization or confiscation. Investors may also face the imposition

of restrictions on foreign investment or the repatriation of capital and a lack of hedging instruments.

- *Currency Risk.* Fluctuations in currency exchange rates may negatively affect the value of a portfolio's investments or reduce its returns.
- *Derivatives Risk.* Certain strategies involve the use of derivatives to create market exposure. Derivatives may be illiquid, difficult to price and leveraged so that small changes may produce disproportionate losses for a client's portfolio and may be subject to counterparty risk to a greater degree than more traditional investments. Because of their complex nature, some derivatives may not perform as intended. As a result, a portfolio may not realize the anticipated benefits from a derivative it holds or it may realize losses. Derivative transactions may create investment leverage, which may increase a portfolio's volatility and may require the portfolio to liquidate portfolio securities when it may not be advantageous to do so.
- *Capitalization Risk.* Investments in small- and mid-capitalization companies may be more volatile than investments in large-capitalization companies. Investments in small-capitalization companies may have additional risks because these companies have limited product lines, markets or financial resources.
- *Liquidity Risk.* Liquidity risk exists when particular investments are difficult to purchase or sell, possibly preventing TTM from selling out of such illiquid securities at an advantageous price. Derivatives and securities involving substantial market and credit risk also tend to involve greater liquidity risk.
- *Issuer Specific Risk.* The value of an equity security or debt obligation may decline in response to developments affecting the specific issuer of the security or obligation, even if the overall industry or economy is unaffected. These developments may comprise a variety of factors, including, but not limited to, management issues or other corporate disruption, political factors adversely affecting governmental issuers, a decline in revenues or profitability, an increase in costs, or an adverse effect on the issuer's competitive position.
- *Concentrated Portfolios Risk.* Certain investment strategies focus on particular asset classes, countries, regions, industries, sectors or types of investments. Concentrated portfolios are an aggressive and highly volatile approach to trading and investing. Concentrated portfolios hold fewer different stocks than a diversified portfolio and are much more likely to experience sudden dramatic prices swings. In addition, the rise or drop in price of any given holding is likely to have a larger impact on portfolio performance than a more broadly diversified portfolio.
- *Legal or Legislative Risk.* Legislative changes or court rulings may impact the value of investments or the securities' claim on the issuer's assets and finances.
- *Use of Leverage.* Some of the strategies can utilize levered index products. Leveraged ETFs are considered risky. The use of leverage strategies by a fund increases the risk to the fund and magnifies gains or losses on the investment. You could incur significant losses even if the long-term performance of the underlying index showed a gain. Most leveraged ETFs "reset" daily. Due to the effect of compounding, their performance over longer periods of time can differ significantly from the performance of their underlying index or benchmark during the same period of time.

## **B. Risks Associated with Investment Strategies and Methods of Analysis**

TTM's securities analysis methods rely on the assumption that the companies whose securities the firm purchases and sells, the rating agencies that review these securities, and other publicly-available sources of information about these securities, are providing accurate and unbiased data. While the firm is alert to indications that data may be incorrect, there is always the risk that TTM's analysis may be compromised by inaccurate or misleading information.

### Technical Analysis

The primary risk in using technical analysis is that spotting historical trends may not help predict such trends in the future. Even if the trend will eventually reoccur, there is no guarantee that TTM will be able to accurately predict such a reoccurrence.

### Cyclical Analysis

The primary risk of cyclical analysis is that economic/business cycles may not be predictable and may have many fluctuations between long-term expansions and contractions. The lengths of economic cycles may be difficult to predict with accuracy and therefore, there is an attendant difficulty in predicting economic trends. Consequently, the changing value of securities that would be affected by these changing trends.

### Technical Trading Models

The primary risk of technical trading models is that historical trends and past performance cannot predict future trends and there is no assurance that the mathematical algorithms employed are designed properly, are updated with new data or updated in a timely manner, or can accurately predict future market, industry and sector performance.

## **C. Risks Associated with Specific Securities Utilized**

### Equity Securities

The major risks associated with investing in equity securities relate to the company's capitalization, quality of the company's management, quality and cost of the company's services, the company's ability to manage costs, efficiencies in the manufacturing or service delivery process, management of litigation risk and the company's ability to create shareholder value (e.g., increase the value of the company's stock price).

### Exchange Traded Funds

ETFs are subject to risks similar to those of stocks. Investment returns will fluctuate and are subject to market volatility, so that when shares are sold they may be worth more or less than their original cost. ETF shares are bought and sold at market price (not Net Asset Value) and are not individually redeemed from the fund.

### Equity Mutual Funds

The major risks associated with investing in equity mutual funds is similar to the risks associated with investing directly in equity securities, including market risk, which is the risk that investment returns will fluctuate and are subject to market volatility, so that an investor's shares, when redeemed or sold, may be worth more or less than their original cost. Other risks include the quality and experience of the portfolio management team and its ability to create fund value by investing in securities that have positive growth, the amount of individual

company diversification, the type and amount of industry diversification and the type and amount of sector diversification within specific industries. In addition, mutual funds tend to be tax inefficient and therefore investors may pay capital gains taxes on fund investments while not having yet sold their shares in the fund.

### Fixed-Income Mutual Funds

In addition to the risks associated with investing in equity mutual funds, fixed-income mutual funds also carry the following risks:

- Credit Risk – the risk that a company or bond issuer may fail to pay principal and interest payments in a timely manner.
- Interest Rate Risk – the risk that the market value of the bonds will go down when interest rates rise.
- Prepayment Risk – the risk that a bond will be paid off early.

### Indexed Funds

Indexed Funds have the potential to be affected by “tracking error risk” which means a deviation from a stated benchmark index. Since the core of a portfolio may attempt to closely replicate a benchmark, the source of the tracking error (deviation) may come from a “sample index” that may not closely align the benchmark. In addition, while many index mutual funds are known for their potential tax efficiency and higher “qualified dividend income” (QDI) percentages, there are assets classes within these funds or holding periods that may not benefit. Shorter holding periods, as well as commodities and currencies that may be part of a fund’s portfolio, may be considered “non-qualified” under certain tax code provisions.

### Options

There are numerous risks associated with transactions in options on securities or securities indexes. A decision as to whether, when and how to use options involves the exercise of skill and judgment, and even a well-conceived transaction may be unsuccessful to some degree because of market behavior or unexpected events. In the case of index options, the client incurs basis risk between the performance of the underlying portfolio and the performance of the underlying index. For example, the underlying portfolio may decline in value while the underlying index may increase in value, resulting in a loss on the call option while the underlying portfolio declines as well.

### Alternative Investments

The performance of alternative investments (e.g., commodities, futures, hedge funds; funds of hedge funds, private equity or other types of limited partnerships) can be volatile. Alternative investments generally involve various risk factors and liquidity constraints, a complete discussion of which is set forth in the offering documents of each specific alternative investment. Due to the speculative nature of alternative investments a client must satisfy certain income or net worth standards prior to investing.

## *Additional Risks*

### Frequent Trading and Investment Performance

TTM's tactical strategies are actively managed on a daily basis and frequent trading may occur. Strategies involving frequent trading of securities can affect investment performance through increased brokerage and other transaction costs and taxes.

### Concentrated Portfolios

Concentrated portfolios are an aggressive and highly volatile approach to trading and investing. Concentrated portfolios hold fewer different stocks than a diversified portfolio and are much more likely to experience sudden dramatic price swings. In addition, the rise or drop in price of any given holding is likely to have a larger impact on portfolio performance, than a more broadly diversified portfolio.

### Use of Leverage

Some of the strategies can utilize levered index products. Leveraged ETFs are considered risky. The use of leverage strategies by a fund increases the risk to the fund and magnifies gains or losses on the investment. You could incur significant losses even if the long-term performance of the underlying index showed a gain. Most leveraged ETFs "reset" daily. Due to the effect of compounding, their performance over longer periods of time can differ significantly from the performance of their underlying index or benchmark during the same period of time.

**Note that there may be other circumstances not described here that could adversely affect a client's investment and prevent their portfolio from reaching its objective.**

## **Item 9 - Disciplinary History**

TTM is required to disclose any legal or disciplinary events that are material to a client's or a prospective client's evaluation of the firm's advisory business or the integrity of TTM's management. Neither TTM nor its management personnel have any reportable disciplinary history.

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

### **A. Broker-Dealer Registration and Registered Representatives**

TTM is not registered, nor does it have an application pending to register, as a broker-dealer. No management person is registered, nor does any management person have an application pending to register, as a registered representative of a broker-dealer.

### **B. Futures and Commodity Registration**

TTM is not registered, nor does it have an application pending to register, as a futures commission merchant, commodity pool operator or a commodity trading advisor. Certain of TTM's management persons are associated persons of a commodity pool operator and/or a commodity trading advisor.

### **C. Financial Industry Affiliations**

Matthew B. Tuttle, Chief Investment Officer and sole owner of TTM, is also the Chief Investment Officer and sole owner of Tuttle Wealth Management, LLC, an SEC-registered investment adviser (“Tuttle Wealth Management”). This does not create a material conflict of interest primarily because Tuttle Wealth Management employs a similar investment strategy (e.g., tactical asset allocation) and uses the same tactical strategy models (e.g., tactical core strategies, tactical tax-managed strategies, etc.) as does TTM.

Henry Howard, Lisa S. Elkins and Andrew J Liebaert, Investment Adviser Representatives, are also Investment Adviser Representatives of Tuttle Wealth Management, LLC, an SEC-registered investment adviser (“Tuttle Wealth Management”). This does not create a material conflict of interest primarily because Tuttle Wealth Management employs a similar investment strategy (e.g., tactical asset allocation) and uses the same tactical strategy models (e.g., tactical core strategies, tactical tax-managed strategies, etc.) as does TTM.

Certain persons providing investment advice on behalf of TTM are licensed as independent insurance agents. These related persons will earn commission-based compensation for selling insurance products, including insurance products they sell to clients. They may, from time to time, also earn incentive awards, increased bonus payments or seminars/trips treated as earned compensation for the recommendation of insurance products. Insurance commissions earned by these related persons are separate and in addition to TTM’s advisory fees. While these individuals endeavor at all times to put the interest of the clients first as part of TTM’s fiduciary duty, clients should be aware that this practice presents a conflict of interest because individuals providing investment advice on behalf of the firm who are also insurance agents have an incentive to recommend insurance product to clients for the purpose of generating commissions, rather than solely based on client needs. However, clients are under no obligation, contractually or otherwise, to purchase insurance products through any individual affiliated with TTM.

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

### **Code of Ethics**

TTM has adopted a Code of Ethics to prevent violations of federal securities laws. TTM’s Code of Ethics is predicated on the principle that TTM owes a fiduciary duty to its clients. Accordingly, TTM expects all employees to act with honesty, integrity and professionalism and to adhere to federal securities laws. All officers, managers, members and employees of TTM and any other person who provides advice on behalf of TTM and is subject to TTM’s control and supervision are required to adhere to the Code of Ethics. At all times, TTM and its employees must (i) place client interests ahead of TTM’s; (ii) engage in personal investing that is in full compliance with TTM’s Code of Ethics; and (iii) avoid taking advantage of their position. A copy of TTM’s Code of Ethics is available to any client or prospective client upon request. For a copy, please contact Matthew Tuttle, Chief Compliance Officer of TTM, at 347-852-0548.



## **Prohibition on Use of Insider Information**

TTM has also adopted policies and procedures to prevent the misuse of “insider” information. A copy of TTM’s Insider Trading policies and procedures is available to any client or prospective client upon request. For a copy of TTM’s Insider Trading policies and procedures, please contact Matthew Tuttle, Chief Compliance Officer of TTM, at 347-852-0548.

## **Participation or Interest in Client Transactions**

TTM or individuals associated with TTM may buy, sell, or hold in their personal accounts the same securities that TTM recommends to its clients and in accordance with TTM’s internal compliance procedures such trades will only occur simultaneously with or after trades placed on behalf of clients. To minimize conflicts of interest, and to maintain the fiduciary responsibility TTM has for its clients, TTM has established the following policy: An officer, director, or employee of TTM shall not buy or sell securities for a personal portfolio when the decision to purchase is derived by reason of their employment with TTM, unless the information is also available to the investing public as a whole. No person associated with TTM shall prefer his or her own interest to that of any client. Personal trades in securities being purchased or sold for clients may only be made simultaneously with or after trades are made for clients. TTM personnel may not anticipate trades to be placed for clients.

## **Item 12 - Brokerage Practices**

### **A. Brokerage Selection**

#### *Sub-Advisory Services*

Under a sub-advisory arrangement, TTM is required to use the broker-dealer/custodian indicated by the primary adviser. Therefore, the primary adviser is the party responsible for best execution and brokerage selection.

### **Directed Brokerage**

#### *Sub-Advisory Services*

Under the sub-advisory arrangement, TTM is required to use the broker-dealer/custodian indicated by the primary adviser.

### **B. Trade Aggregation/Allocation**

It is the objective of TTM to provide a means of allocating trading and investment opportunities between advisory clients on a fair and equitable basis and in compliance with all applicable state and federal guidelines. With respect to clients’ accounts with substantially similar investment objectives and policies, TTM may often seek to purchase or sell a particular security in each account. TTM will aggregate orders only when such aggregation is consistent with TTM’s duty to seek best execution and is consistent with the investment objective of each client. No client account will be unfairly favored over any other account. Each client that participates in an aggregated order will participate based on the average execution price in that particular security. All securities purchased or sold, whether the order is filled completely or partially, will then be allocated pro rata based on the assets of each account.

## **C. Trade Errors**

Trade errors are promptly reported to the custodian and will be rectified with no adverse financial effect on the client.

## **Item 13 - Review Of Accounts**

### *Sub-Advisory Services*

#### Reviews

The underlying securities within each tactical strategy portfolios are continuously monitored. Sub-advisory clients should contact their primary adviser for information on account reviews conducted by the primary adviser.

#### Reports

The primary adviser will receive reports from TTM as agreed upon in the Sub-Advisory Agreement. Sub-advisory clients should contact their primary adviser for information on reports provided by the primary adviser.

## **Item 14 - Client Referrals And Other Compensation**

TTM does not receive any economic benefits such as sales awards or other prizes from any non-client for providing investment advisory services to the firm's clients.

## **B. Client Referrals**

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

## **Item 15 - Custody**

### *Sub-Advisory Services*

TTM is deemed to have custody because TTM deducts its fees directly from the sub-advisory client accounts. Sub-Advisory clients should consult the disclosure documents of their primary adviser for more information on the primary adviser's custody policies and procedures.

## **Item 16 - Investment Discretion**

### *Sub-Advisory Services*

TTM only provides Sub-Advisory Services on a discretionary basis. The primary adviser is responsible for obtaining the sub-advisory client's written authorization for TTM to have discretion to determine the types and the amounts of securities that are bought or sold.

## **Item 17 - Voting Client Securities**

### **Proxy Voting**

#### *Sub-Advisory Services*

Due to the nature of the sub-advisory relationship, TTM will not vote proxies for clients of the primary adviser. These sub-advisory clients should consult the disclosure document of their primary adviser for information on their proxy voting policies and procedures.

### **Class Action Settlements**

#### *Sub-Advisory Services*

Due to the nature of the sub-advisory relationship, TTM will not be responsible for handling the claims of clients of the primary adviser in class action lawsuits or similar settlements involving securities owned by the sub-advisory clients. Sub-advisory clients should consult the disclosure document of their primary adviser for information on their class action policies and procedures.

## **Item 18 - Financial Information**

### **A. Prepayment of Fees**

Because TTM does not require or accept prepayment of more than \$1,200 in fees six months or more in advance, TTM is not required to include a balance sheet with this disclosure brochure.

### **B. Financial Condition**

TTM does not have any adverse financial conditions to disclose.

### **C. Bankruptcy**

TTM has never been the subject of a bankruptcy petition.