

Financial Planning Services and Non-Wrap Fee Accounts

Cover Page - Item 1

**Elite Investment Team LLC**

**Form ADV Part 2A Brochure**

**August 29, 2019**

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Elite Investment Team LLC is an investment adviser registered with the Securities and Exchange Commission ("SEC"). An "investment adviser" means any person who, for compensation, engages in the business of advising others, either directly or through publications or writings, as to the value of securities or as to the advisability of investing in, purchasing, or selling securities, or who, for compensation and as part of a regular business, issues or promulgates analyses or reports concerning securities. Registration with the SEC or any state securities authority does not imply a certain level of skill or training.

This brochure provides information about the qualifications and business practices of Elite Investment Team LLC. If you have any questions about the contents of this brochure, please contact us at 888.626.9672. 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 Elite Investment Team LLC is available on the SEC's website at [www.adviserinfo.sec.gov](http://www.adviserinfo.sec.gov). The firm's CRD/IARD number is 296922.

### Material Changes - Item 2

The purpose of this page is to inform you of any material changes since the previous version of this brochure.

On August 29, 2019, we amended Item 4 and Item 5 of our brochure. We added reference to a wrap program and to offering pension consulting services.

We review and update our brochure at least annually to make sure that it remains current.

#### **Full Brochure Available**

If you would like to receive a complete copy of our Form ADV Part 2 Brochure, please contact Anton Anderson, Chief Compliance Officer, at 888.626.9672 or [aanderson@eliteinvestmentteam.com](mailto:aanderson@eliteinvestmentteam.com).

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

Elite Investment Team LLC ("Elite Investment" and/or "the firm") is a limited liability company organized in the State of California. Anton Anderson is the principal owner of the firm. Elite Investment has been offering investment advisory services since 2018.

The following paragraphs describe our services and fees. You may see the term Associated Person throughout this Brochure. As used in this Brochure, this term refers to anyone from our firm who is an officer, employee, and all individuals providing investment advice on behalf of our firm. Where required, such persons are properly licensed or registered as investment adviser representatives.

#### **Financial Planning Services**

We offer broad based financial planning services regarding management of financial resources based upon an analysis of the client's individual needs. We will meet with you to gather information about your financial circumstances and objectives. Once we collect and analyze the documentation and information you provide, we work with you to develop a financial plan designed to help you achieve your financial goals and objectives. In this way, Elite Investment assists the client in developing a strategy for the management of income, assets, and liabilities. In general, financial planning services may include any one or all of the following:

- Cash Flow Analysis – Assessment of a client's present financial situation by collecting information regarding net worth and cash flow statements, tax returns, insurance policies, investment portfolios, pension plans, employee benefit statements, etc. The firm advises on ways to reduce risk, coordinate, and organize records and information.
- Retirement Analysis – Identification of a client's long-term financial and personal goals and objectives includes advice for accumulating wealth for retirement income or appropriate distribution of assets following retirement. Tax consequences and implications are identified and evaluated.
- Portfolio Analysis/Investment Planning – We provide investment alternatives, including asset allocation, and show their effect on a client's portfolio. We evaluate economic and tax characteristics of existing investments as well as their suitability for a client's objectives. We identify and evaluate tax consequences and their implications.
- Insurance Analysis – Includes risk management associated with advisory recommendations based on a combination of insurance types to meet a client's needs, e.g., life, health, disability, and long-term care insurance. This will necessitate an analysis of cash needs of family at death, income needs of surviving dependents, and disability income analysis.
- Education Savings Analysis – Alternatives and strategies with respect to the complete or partial funding of college or other post-secondary education.
- Estate Analysis – We provide advice with respect to property ownership, distribution strategies, estate tax reduction, and tax payment techniques.

Financial plans are based on a client's financial situation based on the information provided to the firm. The recommendations and solutions are designed to achieve the client's desired goals, subject to periodic evaluation of the financial plan, which may require revision to meet changing circumstances. We should be notified promptly of any change to a client's financial situation, goals, objectives, or needs.

Clients can also request financial planning services that cover a specific area, such as retirement, estate planning, or asset allocation analysis. We offer consultative services where we set an appointment to meet with you for financial planning advice for an hourly fee.

You may choose to accept or reject our recommendations. If you decide to proceed with our recommendations, you may do so either through our investment advisory services or by using the advisory/brokerage firm of your choice.

In some cases, our recommendations may involve the purchase of insurance products. Elite Investment is affiliated with both Elite Resource Team LLC, and Elite Assurance Team LLC, each a licensed insurance agency, through common ownership and control. Additionally, Associated Persons of Elite Investment are licensed insurance agents. Elite Resource Team LLC and/or Elite Assurance Team LLC and our dually licensed Associated Persons can effect transactions in insurance products and earn commission based compensation for these activities. Clients should be aware that a conflict of interest is inherent in such an arrangement. Clients are instructed that the fees paid to the firm for advisory services are separate and distinct from the commissions earned by Elite Resource Team LLC and/or Elite Assurance Team LLC and our dually licensed Associated Persons. Clients of Elite Investment are not required to purchase insurance products from Elite Resource Team LLC or Elite Assurance Team LLC or the firm's dually licensed Associated Persons, and can purchase insurance products from any insurance agency and agent of their choice.

Note: Information related to tax and legal consequences that is provided as part of the financial plan is for informative purposes only. Clients are instructed to contact their tax or legal advisers for personalized advice.

#### **Non-Wrap Portfolio Management Services**

Elite Investment offers discretionary and non-discretionary portfolio management services to our clients. Discretionary portfolio management service means we will make investment decisions and place buy or sell orders in your account without contacting you. These decisions would be made based upon your stated investment objectives. Non-discretionary portfolio management service means that we must obtain your approval prior to making any transactions in your account. You choose as to whether to grant Elite Investment discretionary authority or non-discretionary authority in your investment management agreement with our firm with respect to our non-wrap portfolio management services.

Our investment advice is tailored to meet our clients' needs and investment objectives. If you decide to hire our firm to manage your assets, we will meet with you to gather your financial information, determine your goals, and decide how much risk you should take in your investments. The information we gather will help us implement an asset allocation strategy that will be specific to your goals, whether we are actively investing for you or simply providing you with advice.

Elite Investment creates and manages its own portfolio models for use with clients, with the exception of portfolio models sourced through TD Ameritrade's Model Market Center. In creating its own portfolio models, Elite Investment relies on research we obtain from third party research consultants. At this time, Elite Investment receives its research from consultant Helios Quantitative Research LLC of Granite Bay, CA ("Helios"), which, in turn, is part of the investment adviser Clear Creek Financial Management LLC of Silverdale, WA ("Clear Creek Financial").

Accounts are managed to diversify a client's investments and may include various types of securities such as equity securities, exchange traded funds ("ETFs"), mutual funds, U.S. government securities, corporate debt securities, commercial paper, municipal securities, certificates of deposit, and covered options in its portfolio management programs. Other types of investments may also be recommended where such investments are appropriate based on the client's stated goals and objectives.

Investments and allocations are determined and based upon the client's predefined objectives, risk tolerance, time horizon, financial horizon, financial information, and other various suitability factors. Further restrictions and guidelines imposed by clients may affect the composition and performance of a client's portfolio. For these reasons, performance of the portfolio may not be identical with the average client of Elite Investment. On an

ongoing basis, Elite Investment reviews the client's financial circumstances and investment objectives and makes the necessary adjustments to the client's portfolio to achieve the desired results.

In addition to providing Elite Investment with information regarding their personal financial circumstances, investment objectives and tolerance for risk, clients are required to provide the firm with prompt notice of any changes in their personal financial circumstances, investment objectives, goals, and tolerance for risk. Elite Investment will contact clients at least annually to determine whether there have been any changes in a client's personal financial circumstances, investment objectives, and tolerance for risk.

However we construct your investment portfolio, we will monitor your portfolio's performance on a continuous basis, and rebalance the portfolio whenever necessary, as changes occur in market conditions, your financial circumstances, or both.

#### **Pension Consulting Services**

Elite Investment provides several pension consulting related services. Such services are governed by the Employee Retirement Income Security Act of 1974, as amended ("ERISA"). While the primary clients for these pension consulting related services will be pension, profit sharing and 401(k) plans, Elite Investment will also offer these services, where appropriate, to individuals, trusts, estates, and charitable organizations. Elite Investment's pension consulting services are comprised of the following components, some or all of which may be chosen by clients and will be memorialized in an agreement by and between Elite Investment and the client ("ERISA Client Agreement"). Please note that the ERISA Client Agreement is separate and apart from the investment management agreement for non-wrap or wrap portfolio investment services that may be entered into by and between Elite Investment and the client.

- *Selection of Investment Vehicles*— Elite Investment will create or review the plan's investment lineup, primarily consisting of mutual funds and exchange traded funds, and clients will select the lineup that is most appropriate for their investment needs.
- *Monitoring and Reviewing of Investment Performance*—Client investments will be monitored and reviewed in accordance with the procedures outlined in the ERISA Client Agreement with the client. Where Elite Investment has no access to client account statements, the client is instructed to make such statements available to the firm. Although, in offering these monitoring and reviewing services, Elite Investment will not be involved in any way in the purchase or sale of these investments, Elite Investment will make recommendations to the client as market factors and the client's needs dictate.
- *Employee Communications*— For pension, profit sharing and 401(k) plans where the individual account participant exercises control over assets in his/her own account (hereinafter "self-directed plans"), Elite Investment also provides educational support designed for the plan participants. The nature of the topics to be covered will be determined by Elite Investment and the client under the guidelines established under Section 404(c) of ERISA. Educational support services will not provide plan participants with individualized, tailored investment advice or individualized, tailored asset allocation recommendations.
- *Investment Management of Plan Assets*— Elite Investment provides discretionary investment management services to ERISA covered employee benefit plans ("Plans") sponsored by clients who are employers. In providing investment management services to a Plan, we directly manage and provide advice regarding the selection of the Plan's investments offered to participants under the Plan.

The above pension consulting related services are designed to assist plan sponsors in meeting their management and fiduciary obligations to plan participants under ERISA. Pursuant to adopted regulations of the U.S. Department of Labor, we are required to provide the Plan's responsible plan fiduciary (the person who has the authority to engage us as an investment adviser or investment manager to the Plan) with a written statement of

the services we provide to the Plan, the compensation we receive for providing those services, and our status (which is described below).

The specific pension consulting related services we provide to your Plan will be as specified in your ERISA Client Agreement with Elite Investment (the above being only an illustration of the services we can provide). Our compensation for these services is described below, in Item 5, and also in the ERISA Client Agreement.

Elite Investment is registered as an investment advisor and represents that it is not subject to any disqualification as set forth in Section 411 of ERISA. To the extent Elite Investment performs fiduciary services, we act as a fiduciary of the Plan as defined in either Section 3(21)(A) or Section 3(38) of ERISA; provided, however, that we will be a Section 3(38) fiduciary to a client only if the client and Elite Investment enter into an ERISA Client Agreement that explicitly names us as a Section 3(38) investment manager.

#### **Wrap Fee Program Services**

Elite Investment is the sponsor of a wrap fee program. A wrap fee program combines discretionary portfolio management services, advisory services, custodial services and trade execution for a single fee.

Under the wrap fee program, Elite Investment implements asset allocation and advisory services and creates portfolio models in conjunction with research it receives from Helios, although certain portfolio models may be sourced through TD Ameritrade's Model Market Center. Elite Investment is responsible for the creation of portfolio models and for the client's asset allocation strategy, security selection, account supervision, and implementation of transactions.

Please see the firm's Form ADV Part 2A, Appendix 1: Wrap Fee Program Brochure for more information with respect to Elite Investment's wrap fee program.

#### ***Recommendation of Sub Advisers and Third-Party Investment Managers***

As part of our overall portfolio management strategy, we may recommend or make available sub-advisers and/or third-party investment managers (each an "Investment Manager" and collectively the "Investment Managers") to manage all or a portion of your account. All Investment Managers recommended or made available by our firm must either be registered as investment advisers or be exempt from registration requirements. Factors that we take into consideration when recommending or making available Investment Managers include, but are not limited to, the following: the Investment Manager's investment style, methods of analysis, fees, your financial needs, investment goals, risk tolerance, and investment objectives. We will regularly monitor the performance of your accounts managed by Investment Manager(s) and may hire and fire any Investment Manager without your prior approval, provided you have given our firm discretionary authority in the investment management agreement you sign with us.

You may be required to sign an agreement directly with the Investment Manager(s), in which case you may terminate your advisory relationship with the Investment Manager(s) according to the terms of your agreement with the Investment Manager(s). You should review each Investment Manager's Form ADV Brochure for specific information on how you may terminate your advisory relationship with the Investment Manager and how you may receive a refund, if applicable. You should contact the Investment Manager directly for questions regarding your advisory agreement with the Investment Manager.

#### **Assets Under Management**

As of August 29, 2019, Elite Investment manages approximately \$553,272 in client assets on a discretionary basis and \$0 in client assets on a non-discretionary basis.

### **Fees and Compensation - Item 5**

#### **Financial Planning Fees**

Elite Investment provides its clients financial planning and consulting services. Prior to engaging Elite Investment to provide consulting services, the client will be required to enter into a financial planning agreement with our firm. The Agreement will set forth the terms and conditions of the engagement and describe the scope of the services to be provided and the fee that is due from the client. Elite Investment will charge a fixed fee and/or hourly fee for these services. We utilize the following financial planning fee schedules:

- *Fixed Fees:* Elite Investment will charge a fixed fee of up to \$10,000.00, for broad based financial planning services. *In limited circumstances*, the total cost could potentially exceed \$10,000.00. In these cases, we will notify the client and may request that the client pay an additional fee.
- *Hourly Fees:* Elite Investment charges an hourly fee of up to \$400 for clients who request specific services (such as a modular plan or hourly consulting services).

Other fee payment arrangements may be negotiated with the client on a case-by-case basis. All such arrangements will be clearly set forth in the financial planning agreement signed by the client and the firm. Fees are payable as invoiced.

Either party may terminate the financial planning agreement by written notice to the other. In the event the client terminates Elite Investment's financial planning services, the balance of any prepaid, unearned fees (if any) will be promptly refunded to the client.

#### **Non-Wrap Portfolio Investment Management Fees**

For its non-wrap portfolio investment management services, Elite Investment charges an annual investment management fee of up to 2.00% of the market value of assets being managed.

Investment management fees are negotiable depending on factors such as the amount of assets under management, range of investments, and complexity of the client's financial circumstances, among others. For example, instead of the above percentage-based fee for non-wrap portfolio investment management services, Elite Investment and client may agree to have an annual flat fee arrangement for such services; provided, that, in order to have a flat fee arrangement with us, client must have one or more accounts with Elite Investment with assets under management equal to \$2,500,000 or greater ("AUM threshold"). If the AUM threshold is met at the time of contracting, Client may be charged a flat fee of up to \$100,000.

As the investment management fee is annual, it is charged to client each year (measured on a rolling twelve (12) month period of time), regardless of whether a percentage-based fee or a flat fee is chosen. The exact fee to be paid by the client, and the timing of its payment, will be clearly stated in the investment management agreement signed by the client and the firm.

Elite Investment may modify the investment management fee for non-wrap portfolio investment management services at any time upon 30 days prior written notice to client.

Investment management fees are billed quarterly, in arrears. The custodian holding the client's account will deduct the investment management fees directly and automatically from the account at TD Ameritrade provided the client has given written authorization and will forward Elite Investment's portion of the fee to our firm. A client may choose to pay an annual flat fee for non-wrap portfolio investment management services or an annual flat fee for pension consulting services (see **Pension Consulting Services Fees**, below) directly to Elite Investment or to have such flat fee deducted from the account at TD Ameritrade. If insufficient cash is available to pay such



investment management fees, securities in an amount equal to the balance of unpaid fees will be liquidated to pay for the unpaid balance. The qualified custodian will send an account statement at least quarterly. This statement will detail all account activity. The custodian will usually deduct from a designated account to facilitate billing.

At the inception of investment management services, the first pay period's fees will be calculated on a pro-rata basis.

Our annual investment management fee is exclusive of, and in addition to brokerage commissions, transaction fees, and other related costs and expenses, which will be incurred by the client. However, Elite Investment will not receive any portion of such commissions, fees, and costs. Please see Item 12 – Brokerage Practices for further information on brokerage and transaction costs.

The investment management agreement between Elite Investment and the client will continue in effect until either party terminates the Agreement in accordance with the terms of the Agreement. The investment management agreement may be canceled at any time by the client or by Elite Investment with five (5) days prior written notice to the other. Elite Investment's annual investment management fee will be pro-rated through the date of termination. Any unearned fees will be refunded to the client.

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

For its pension consulting services, Elite Investment charges an annual investment management fee of up to 0.50% of the market value of the assets being managed that are in ERISA accounts. Elite Investment's fee for pension consulting services is separate and apart from the fee charged for non-wrap or wrap portfolio investment management services.

We do not reasonably expect to receive any other compensation, direct or indirect, for the pension consulting related services we provide to the Plan or plan participants under the ERISA Client Agreement. If we receive any other compensation for such services, we will (i) offset the compensation against our stated fees, and (ii) we will promptly disclose the amount of such compensation, the services rendered for such compensation, and the payer of such compensation to you.

Fees are billed and paid quarterly in arrears, based upon the average daily balance of the account during the previous quarter. If our services are retained in the middle of a quarter, the fee for such quarter will be calculated on a pro rata basis, based upon the number of days remaining in the quarter.

Our advisory fee for pension consulting services is negotiable, depending on individual client circumstances. For example, instead of the above 0.50%-based fee for pension consulting services, Elite Investment and client may agree to have an annual flat fee arrangement for such services; provided, that, in order to have a flat fee arrangement with us, client must have one or more accounts with Elite Investment with assets under management equal to \$2,500,000 or greater ("AUM threshold"). If the AUM threshold is met at the time of contracting, Client may be charged a flat fee of up to \$100,000.

As the fee for pension consulting services is annual, it is charged to client each year (measured on a rolling twelve (12) month period of time), regardless of whether a percentage-based fee or a flat fee is chosen. The exact fee to be paid by the client, and the timing of its payment, will be clearly stated in the ERISA Client Agreement signed by the client and the firm.

Elite Investment may modify the investment management fee for pension consulting services at any time upon 30 days prior written notice to client.

Either party to the ERISA Client Agreement may terminate the agreement upon thirty (30) days prior written notice to the other party. The fees due with respect to a terminated ERISA Client Agreement will be pro-rated through the date of termination. Any unearned fees will be refunded to the client.

#### **Additional Fees and Expenses**

Elite Investment's fees are negotiable based on the complexity of client goals and objectives and level of services rendered. The fees are charged as described and are not based on a share of capital gains on or capital appreciation of the client's assets.

All fees paid to Elite Investment for its investment management services are separate and distinct from the fees and expenses charged by ETFs or mutual funds to their shareholders. These fees and expenses are described in each fund's prospectus. These fees generally include the fund's management fee, other fund expenses, early redemption fee, 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 an ETF or mutual fund directly, without the services of Elite Investment. In that case, the client would not receive the services provided by Elite Investment, which are designed, among other things, to assist the client in determining which ETFs or mutual funds are most appropriate to each client's financial condition and objectives. Accordingly, the client should review both the fees charged by the funds and the fees charged by Elite Investment to fully understand the total amount of fees to be paid by the client and to thereby evaluate the advisory services being provided.

Advisory recommendations are based on financial information and situation that you disclose to us at the time the services are provided. Certain assumptions may be made with respect to interest and inflation rates and the use of past trends and performance of the market and economy. Past performance is in no way an indication of future returns. As your financial situation, goals, objectives, or needs change, you must notify us promptly.

#### **Sales Compensation**

Associated Persons who provide investment advice on behalf of our firm may also be registered representatives with various securities broker-dealers registered with the Securities and Exchange Commission and the Financial Industry Regulatory Authority ("FINRA"). As registered representatives, Associated Persons receive commission-based compensation for buying and selling securities and insurance products, including 12b-1 fees and other trails for the sale of mutual funds or annuity products. This commission compensation is separate and distinct from our advisory fees. Elite Investment's advisory clients are not obligated to purchase the products or services of any of these broker-dealers. Clients may purchase or sell insurance and securities at the brokerage firm of their choice.

Associated Persons of Elite Investment are also licensed as insurance agents and can effect transactions in various insurance products, including life, health, disability, long-term care, and annuities among others. These individuals earn commissions for these activities. The firm expects that clients to whom it offers advisory services may also be clients for whom such individuals act as insurance agents. Clients are instructed that the fees paid to the firm for advisory services are separate and distinct from the commissions earned for placing the client in insurance products.

The sale of mutual funds, annuity contracts, insurance instruments and other commissionable products offered by Associated Persons are intended to compliment Elite Investment's advisory services. However, a conflict of interest exists due to the potential receipt of dual forms of compensation. Elite Investment has policies and procedures in place to monitor all client transactions and all client transaction costs will be disclosed to the client. Clients to whom the firm offers advisory services are informed that they are under no obligation to use the firm's Associated Persons for securities brokerage or insurance services and may use the securities and insurance brokerage firm and agent of their choice.

We strive to outline all conflicts of interest between you, our firm, and our Associated Persons in this Disclosure Brochure. If additional conflicts arise in the future, we will notify you in writing or supply you with an updated Disclosure Brochure.

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

Our firm and Associated Persons do not accept performance-based fees. Performance based fees are based on a share of capital gains on or capital appreciation of the client's assets.

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

We offer investment advisory services to individuals, pension and profit sharing plans and participants, trusts, estates, charitable organizations, corporations, limited liability companies, and other business entities.

Elite Investment requires a minimum of \$25,000 to open and maintain an advisory account. At our sole discretion, we may waive this requirement. This requirement can be met by combining two or more accounts owned by you or related family members.

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

In providing non-wrap portfolio management services to clients, we gather relevant information from clients and we select a portfolio model that is, in our opinion, in the best interest of the client. Elite Investment will not implement its own methods of analysis, but, rather, will rely on research it obtains from third party research consultants for use in creating these portfolio models. At this time, Elite Investment receives research from Helios, which, in turn, is part of Clear Creek Financial. Clients should refer to our third-party research consultant's brochures for more information about these firms' methods of analysis. Helios may use one or more of the following methods of analysis when providing research to us to use in creating portfolio models:

- *Fundamental Analysis* – involves analyzing individual companies and their industry groups, such as a company's financial statements, details regarding the company's product line, the experience and expertise of the company's management, and the outlook for the company's industry. The resulting data is used to measure the true value of the company's stock compared to the current market value. The primary risk of fundamental analysis is that information obtained may be incorrect and the analysis may not provide an accurate estimate of earnings, which may be the basis for a stock's value. If securities prices adjust rapidly to new information, utilizing fundamental analysis may not result in favorable performance.
- *Technical Analysis* –technical analysis is a technique that relies on the assumption that current market data (such as charts of price, volume, and open interest) can help predict future market trends, at least in the short term. It assumes that market psychology influences trading and can predict when stocks will rise or fall. 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, through mathematical algorithms, attempt to identify when markets are likely to increase or decrease and identify appropriate entry and exit points. 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, updated with new data, and can accurately predict future market, industry, and sector performance.

- *Charting* – Charting is the set of techniques used in technical analysis in which charts are used to plot price movements, volume, settlement prices, open interest, and other indicators, in order to anticipate future price movements. Users of these techniques, called chartists, believe that past trends in these indicators can be used to extrapolate future trends.
- *Cyclical Analysis* – Cyclical analysis is similar to technical analysis in that it involves the analysis of market conditions at a macro (entire market/economy) or micro (company specific) level, rather than the overall fundamental analysis of the health of the particular company. The primary risks with cyclical analysis are similar to those of technical analysis.

We may use one or more of the following investment strategies when advising you on investments:

- *Long Term Purchases* – Securities purchased with the expectation that the value of those securities will grow over a relatively long period of time, generally greater than one year. Using a long-term purchase strategy generally assumes the financial markets will go up in the long-term which may not be the case. There is also the risk that the segment of the market that you are invested in or perhaps just your particular investment will go down over time even if the overall financial markets advance. Purchasing investments long-term may create an opportunity cost - "locking-up" assets that may be better utilized in the short-term in other investments.
- *Short Term Purchases* – Securities purchased with the expectation that they will be sold within a relatively short period of time, generally less than one year, to take advantage of the securities' short-term price fluctuations. Using a short-term purchase strategy generally assumes that we can predict how financial markets will perform in the short-term which may be very difficult and will incur a disproportionately higher amount of transaction costs compared to long-term trading. There are many factors that can affect financial market performance in the short-term (such as short-term interest rate changes, cyclical earnings announcements, etc.) but may have a smaller impact over longer periods of times.
- *Trading* - Trading involves purchasing securities with the idea of selling them relatively quickly. We may use this strategy to take advantage of our predictions of brief price swings. A trading strategy creates the potential for sudden losses if the anticipated price swing does not materialize, and could result in having a long-term investment in a security that was designed to be a short-term purchase, or the potential of a loss. We do not anticipate using a trading strategy frequently. However, in the event we recommend this strategy for a particular client, they should understand that higher rates of portfolio turnover would likely result in an increase in the account's broker-dealer costs. High portfolio turnover may also result in the realization of net capital gains, and any distributions derived from such gains may be ordinary income for federal tax purposes.
- *Short Sales* -We borrow shares of a stock for your portfolio from someone who owns the stock on a promise to replace the shares on a future date at a certain price. Those borrowed shares are then sold. On the agreed-upon future date, we buy the same stock and return the shares to the original owner. We engage in short selling based on our determination that the stock will go down in price after we have borrowed the shares. If we are correct and the stock price has gone down since the shares were purchased from the original owner, the client account realizes the profit. The risks associated with this strategy include an unlimited downside as the gain is limited by the fact that the stock can't fall below zero, and the loss is unlimited because a stock's price can keep rising.

- **Margin Transactions** - We may use a margin account offered by the custodian to borrow sufficient funds to purchase a security for your account. This typically happens if sufficient cash is not available in the account to purchase the security and it is not advantageous to sell other investments. The use of margin carries risks that you should understand. We do not expect to use significant amounts of margin or other leverage in our strategies. However, certain types of transactions may or must be executed through a "margin account" (e.g., short sales). In volatile markets, security prices can fall very quickly. If the net value of your account (less the amount you owe the broker-dealer) falls below a certain level, the broker-dealer will issue a "margin call" and you will be required to sell the security (and other positions) or add more cash to the account. You could lose more money than you originally invested. Additionally, you must pay interest on the margin balance you owe to the broker-dealer until it is repaid in full. The amount of margin interest will diminish your profits and in some cases could cause net losses in your account.
- **Option Writing** – An option is the right either to buy or sell a specified amount or value of a particular underlying investment instrument at a fixed price (i.e. the "exercise price") by exercising the option before its specified expiration date. Options giving you the right to buy are called "call" options. Options giving you the right to sell are called "put" options. When trading options on behalf of a client, we generally use covered options. Covered options involve options trading when you own the underlying instrument on which the option is based. Investments in options contracts have the risk of losing value in a relatively short period of time. Option contracts are leveraged instruments that allow the holder of a single contract to control many shares of an underlying stock. This leverage can compound gains or losses.

**Investing in securities involves risk of loss that clients should be prepared to bear.** Clients should fully understand the nature of the contractual relationship(s) into which they are entering and the extent of their exposure to risk. Certain investing strategies may not be suitable for many members of the public. You should carefully consider whether the strategies employed would be appropriate for you in light of your experience, objectives, financial resources, and other relevant circumstances.

#### **Recommendation of Particular Types of Securities**

We provide advice on various types of securities and we do not necessarily recommend one particular type of security over another since each client has different needs and different tolerance for risk. Each type of security has its own unique set of risks associated with it and it would not be possible to list here all of the specific risks of every type of investment. Even within the same type of investment, risks can vary widely. However, in very general terms, the higher the anticipated return of an investment, the higher the risk of loss associated with it.

**General Investment Risk:** All investments come with the risk of loss. Investing may involve substantial risks, including complete possible loss of principal plus other losses and may not be suitable for many members of the public. Investments, unlike savings and checking accounts at a bank, are not insured by the government to protect against market losses. Different market instruments carry different types and degrees of risk and you should familiarize yourself with the risks involved in the particular market instruments in which you intend to invest.

**Loss of Value:** There can be no assurance that a specific investment will achieve its investment objectives and past performance should not be seen as a guide to future returns. The value of investments and the income derived may fall as well as rise and investors may not recoup the original amount invested. Investments may also be affected by any changes in exchange control regulation, tax laws, withholding taxes, international, political, and economic developments, and government, economic or monetary policies.

**Interest Rate Risk:** Fixed income securities and funds that invest in bonds and other fixed income securities may fall in value if interest rates change. Generally, the prices of debt securities rise when interest rates fall, and their prices fall when interest rates rise. Longer-term debt securities are usually more sensitive to interest rate changes.

**Credit Risk:** Investments in bonds and other fixed income securities are subject to the risk that the issuer(s) may not make required interest payments. An issuer suffering an adverse change in its financial condition could lower the credit quality of a security, leading to greater price volatility of the security. A lowering of the credit rating of a security may also offset the security's liquidity, making it more difficult to sell. Funds investing in lower quality debt securities are more susceptible to these problems and their value may be more volatile.

**Risks Associated with Investing in Equities:** Investments in equities generally refers to buying shares of stocks by an individual or firms in return for receiving a future payment of dividends and capital gains if the value of the stock increases. There is an innate risk involved when purchasing a stock that it may decrease in value and the investment may incur a loss.

**Risks Associated with Investing in Mutual Funds:** Mutual funds are professionally managed collective investment systems that pool money from many investors and invest in stocks, bonds, short-term money market instruments, other mutual funds, other securities, or any combination thereof. The fund will have a manager that trades the fund's investments in accordance with the fund's investment objective. While mutual funds generally provide diversification, risks can be significantly increased if the fund is concentrated in a particular sector of the market, primarily invests in small cap or speculative companies, uses leverage (i.e., borrows money) to a significant degree, or concentrates in a particular type of security (i.e., equities) rather than balancing the fund with different types of securities. The returns on mutual funds can be reduced by the costs to manage the funds. In addition, while some mutual funds are "no load" and charge no fee to buy into, or sell out of, other types of mutual funds do charge such fees which can also reduce returns.

**Risks Associated with Investing in 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.

**Risks Associated with Investing in Private Funds:** Private investment funds are not registered with the Securities and Exchange Commission and may not be registered with any other regulatory authority. Accordingly, they are not subject to certain regulatory restrictions and oversight to which other issuers are subject. There may be little public information available about their investments and performance. Moreover, as sales of shares of private investment companies are generally restricted to certain qualified purchasers, it could be difficult for a client to sell its shares of a private investment company at an advantageous price and time. Since shares of private investment companies are not publicly traded, from time to time it may be difficult to establish a fair value for the client's investment in these companies.

**Risks Associated with Investing in Options:** Transactions in options carry a high degree of risk. A relatively small market movement will have a disproportionately larger impact, which may work for or against the investor. The placing of certain orders, which are intended to limit losses to certain amounts, may not be effective because market conditions may make it impossible to execute such orders. Selling ("writing" or "granting") an option generally entails considerably greater risk than purchasing options. Although the premium received by the seller is fixed, the seller may sustain a loss well in excess of that amount. The seller will also be exposed to the risk of the purchaser exercising the option and the seller will be obliged either to settle the option in cash or to acquire or deliver the underlying investment. If the option is "covered" by the seller holding a corresponding position in the underlying investment or a future on another option, the risk may be reduced.

#### Disciplinary Information - Item 9

Registered investment advisers are required to disclose all material facts regarding any legal or disciplinary events that would be material to your evaluation of us or the integrity of our management. There is no history of reportable material legal or disciplinary events by our firm or our management persons.

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

Anton Anderson, managing member of Elite Investment, has an ownership interest in Elite Resource Team LLC, and has an indirect ownership interest in Elite Assurance Team LLC, each affiliated company being an insurance field marketing organization and insurance agency that markets/wholesales life insurance and fixed annuities to third-party insurance agents in exchange for a marketing and/or override fee from the issuer of such insurance/annuity products. Associated Persons of Elite Investment, who are separately licensed as insurance agents, generally utilize the marketing and wholesaling services of Elite Resource Team LLC and Elite Assurance Team LLC. Elite Resource Team LLC also provides services with respect to the creation of tax plans.

Anton Anderson, managing member of Elite Investment, and other Associated Persons are licensed as insurance agents and can effect transactions in various insurance products, including life, health, disability, long-term care, and annuities and earn commissions for these activities. The firm expects that clients to whom it offers advisory services may also be clients for whom such individuals act as insurance agents. Clients are instructed that the fees paid to the firm for advisory services are separate and distinct from the commissions earned for placing the client in insurance products. Clients to whom the firm offers advisory services are informed that they are under no obligation to use the firm's Associated Persons for insurance services and may use the insurance brokerage firm and agent of their choice.

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

##### **Description of Our Code of Ethics**

Elite Investment has adopted a Code of Ethics (the "Code") to address investment advisory conduct. The Code focuses primarily on fiduciary duty, personal securities transactions, insider trading, gifts, and conflicts of interest. The Code includes Elite Investment's policies and procedures developed to protect clients' interests in relation to the following topics:

- The duty at all times to place the interests of clients first;
- The requirement that all personal securities transactions be conducted in such a manner as to be consistent with the code of ethics;
- The responsibility to avoid any actual or potential conflict of interest or misuse of an employee's position of trust and responsibility;
- The fiduciary principle that information concerning the identity of security holdings and financial circumstances of clients is confidential; and
- The principle that independence in the investment decision-making process is paramount.

A copy of Elite Investment's Code of Ethics is available upon request to Anton Anderson, Chief Compliance Officer, at 888.626.9672 or [aanderson@eliteinvestmentteam.com](mailto:aanderson@eliteinvestmentteam.com).

##### **Personal Trading Practices**

At times, Elite Investment and/or its Associated Persons may take positions in the same securities as clients, which may pose a conflict of interest with clients. We will not violate our fiduciary responsibilities to our clients. Front



running (trading shortly ahead of clients) is prohibited. Should a conflict occur because of materiality, disclosure will be made to the client(s) at the time of trading. Incidental trading not deemed to be a conflict (i.e., a purchase or sale which is minimal in relation to the total outstanding value, and as such would have negligible effect on the market price), would not be disclosed at the time of trading.

### **Brokerage Practices - Item 12**

We recommend the services of TD Ameritrade Institutional, a division of TD Ameritrade, Inc. ("TD Ameritrade") for our portfolio management program. TD Ameritrade is a member of the Financial Industry Regulatory Authority ("FINRA") and the Securities Investor Protection Corporation ("SIPC").

TD Ameritrade is an independent and unaffiliated SEC-registered broker-dealer. TD Ameritrade offers to independent investment advisors services, which include custody of securities, trade execution, clearance, and settlement of transactions. Elite Investment receives some benefits from TD Ameritrade through its participation in the program. (Please see the disclosures below under Item 14.)

#### **Research and Other Soft Dollar Benefits**

We may receive benefits from TD Ameritrade for research services that include reports, software, and institutional trading support.

In selecting a broker dealer based on discretionary authority, Elite Investment will endeavor to select those brokers or dealers that will provide the best services at the lowest commission rates possible. The reasonableness of commissions is based on several factors, including the broker's ability to provide professional services, competitive commission rates, volume discounts, execution price negotiations, the broker's reputation, experience, and financial stability of the broker or dealer, and the quality of service rendered by the broker or dealer in other transactions.

Best execution is not measured solely by reference to commission rates. Paying a broker a higher commission rate than another broker might charge is permissible if the difference in cost is reasonably justified by the quality of the brokerage services offered. In addition, Elite Investment may cause the account to pay a higher commission in recognition of the value of "research services" and additional brokerage products and services a broker-dealer has provided or may be willing to provide.

#### **Brokerage for Client Referrals**

We do not receive client referrals from broker-dealers and custodians with which we have an institutional advisory arrangement. In addition, we do not receive other benefits from a broker-dealer in exchange for client referrals.

#### **Directed Brokerage**

The client may direct brokerage to a specified broker-dealer other than the firm recommended by Elite Investment. In the event that a client directs Elite Investment to use a particular broker-dealer, the firm may not be authorized under these circumstances to negotiate commissions and may not be able to obtain volume discounts or best execution. In addition, under these circumstances a disparity in commission charges may exist between the commissions charged to clients who direct the Company to use a particular broker-dealer and those who do not.

#### **Trade Aggregation/Block Trading**

Elite Investment is authorized in its discretion to (but is not obligated to) aggregate, batch, or combine purchases and sales and other transactions made for the account of a client with purchases and sales and other transactions



in the same or similar securities or instruments for other clients of Elite Investment (that is, Elite Investment may “block trade”). When transactions are so aggregated, the actual prices applicable to the aggregated transactions will be averaged, and the account of a client will be deemed to have purchased or sold its proportionate share of the securities or instruments involved at the average price so obtained. Elite Investment will endeavor to process all account transactions in a timely manner, but Elite Investment neither represents nor warrants that any such transaction will be processed or effected on the same day as requested.

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

Accounts are reviewed by the Associated Person named as adviser of record on the account. The frequency of reviews is determined based on the client’s investment objectives, but reviews are conducted no less frequently than annually. Additional reviews are usually triggered by a change in the client’s investment objectives, tax considerations, large deposits or withdrawals, large purchases or sales, loss of confidence in corporate management, or changes in macro-economic climate.

The client’s independent custodian provides account statements directly to the client no less frequently than quarterly. The custodian’s statement is the official record of the client’s securities account and supersedes any statements or reports created on behalf of the client by Elite Investment.

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

As disclosed under Item 12 above, Elite Investment participates in TD Ameritrade’s institutional customer program and Elite Investment may recommend TD Ameritrade to clients for custody and brokerage services. There is no direct link between Elite Investment’s participation in the program and the investment advice it gives to its clients, although Elite Investment receives economic benefits through its participation in the 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 Elite Investment participants; 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 Elite Investment by third party vendors. TD Ameritrade may also have paid for business consulting and professional services received by Elite Investment’s related persons.

Some of the products and services made available by TD Ameritrade through the program may benefit Elite Investment but may not benefit its client accounts. These products or services may assist Elite Investment in managing and administering client accounts, including accounts not maintained at TD Ameritrade. Other services made available by TD Ameritrade are intended to help Elite Investment manage and further develop its business enterprise. The benefits received by Elite Investment 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, Elite Investment endeavors at all times to put the interests of its clients first. Clients should be aware, however, that the receipt of economic benefits by Elite Investment or its related persons in and of itself creates a potential conflict of interest and may indirectly influence the Elite Investment’s choice of TD Ameritrade for custody and brokerage services.

**Compensation for Client Referrals**

Non-employee (outside) consultants, individuals, and/or entities, who are directly responsible for bringing a Client to Elite Investment, will receive compensation from the firm. Such arrangements will comply with the requirements set forth in Rule 206(4)-3 of the Investment Advisers Act of 1940, including the requirement that the relationship between the solicitor and the investment adviser be disclosed to the Client at the time of the solicitation or referral. In addition, all applicable state laws will be observed. Under these arrangements, the Client does not pay higher fees than Elite Investment's customary advisory fees.

**Custody - Item 15**

Advisers who deduct advisory fees directly from client accounts are deemed to have custody. Elite Investment does not have custody over client funds and securities because the qualified custodian deducts our fee automatically from your account.

Clients will receive account statements at least quarterly from their qualified custodian. Clients are urged to review their custodial account statements for accuracy.

**Investment Discretion - Item 16**

Elite Investment's management services for non-wrap portfolio management are offered on a discretionary basis or on a non-discretionary basis, as chosen by you in your investment management agreement with the firm. Granting Elite Investment discretionary management authority under the investment management agreement allows our firm and/or the sub adviser (if any) to choose the quantity of the securities to be purchased or sold and whether to place buy or sell orders for your account without obtaining your approval for each transaction.

If you wish, you may limit our discretionary authority by, for example, setting a limit on the type of securities that can be purchased for your account. All restrictions or guidelines must be provided in writing.

**Voting Client Securities - Item 17**

Elite Investment does not vote proxies. It is the client's responsibility to vote proxies. Clients will receive proxy materials directly from the custodian. Questions about proxies may be made via the contact information on the cover page.

**Financial Information - Item 18**

We are required in this Item to provide you with certain financial information or disclosures about Elite Investment's, financial condition. Elite Investment does not require the prepayment of over \$1,200, six or more months in advance. Additionally, Elite Investment has no financial commitment that impairs its ability to meet contractual and fiduciary commitments to clients, and Elite Investment has not been the subject of a bankruptcy proceeding.

**Requirements of State-Registered Advisers - Item 19**

**This section is not applicable because our firm is SEC-registered.**

**Miscellaneous**

**Confidentiality**

Elite Investment views protecting its customers' private information as a top priority and, pursuant to the requirements of the Gramm-Leach-Bliley Act, the firm has instituted policies and procedures to ensure that customer information is kept private and secure.

Elite Investment does not disclose any nonpublic personal information about its customers or former customers to any nonaffiliated third parties, except as permitted by law. In the course of servicing a client account, Elite Investment may share some information with its service providers, such as transfer agents, custodians, broker-dealers, accountants, and lawyers.

Elite Investment restricts internal access to nonpublic personal information about its clients to those employees who need to know that information in order to provide products or services to the client. Elite Investment maintains physical and procedural safeguards that comply with state and federal standards to guard a client's nonpublic personal information and ensure its integrity and confidentiality. As emphasized above, it has always been and will always be the firm's policy never to sell information about current or former customers or their accounts to anyone. It is also the firm's policy not to share information unless required to process a transaction, at the request of the client, or as required by law.

A copy of the firm's privacy policy notice will be provided to each client prior to, or contemporaneously with, the execution of the investment management agreement. If you have any questions about this policy, please contact Anton Anderson, Chief Compliance Officer, at 888.626.9672 or [aanderson@eliteinvestmentteam.com](mailto:aanderson@eliteinvestmentteam.com).