

# ADV PART 2A BROCHURE



**Demeter Tactical Investment Corp.**

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**January 31, 2024**

This brochure provides information about the qualifications and business practices of Demeter Tactical Investments Corp. ("DTIC"). If you have any questions about this brochure's contents, please contact us at 212-518-4444. The information in this brochure has not been approved or verified by the United States Securities and Exchange Commission ("SEC") or any state securities authority. DTIC is a Registered Investment Adviser ("RIA"). Registration as an Investment Adviser with the SEC or any state securities authority does not imply a certain level of skill or training.

Additional information about DTIC is available on the SEC's website at <http://www.adviserinfo.sec.gov/>. You can search this site by a unique identifying number called an IARD number. The IARD number for DTIC is 329512.

## ITEM 2 - MATERIAL CHANGES

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### SUMMARY OF MATERIAL CHANGES

Under federal and state law, fiduciaries must make full disclosure to Clients of all material facts relating to the advisory relationship. This brochure provides clients or prospective clients with information and conflicts of interest about Demeter Tactical Investments Corp. that should be considered before or when obtaining our investment advisory services. We are required to update this item to describe the material changes made to this brochure on an annual basis and deliver to you, within 120 days of the end of the fiscal year, a free updated brochure that includes or is accompanied by a summary of material changes; or a summary of material changes and an offer to provide an updated brochure and how to obtain it. We will also provide interim disclosures regarding material changes, as necessary.

As of January 31, 2024, there are no material changes to report, as this is our Firm's initial application for registration with the SEC.

This brochure may be updated periodically for non-material changes to clarify and provide additional information.

### QUESTIONS & CONCERNS

We encourage you to read this document in its entirety. Our Chief Compliance Officer, Jeffrey Sexton, remains available to address any questions or concerns regarding this Part 2A Brochure, including any material change disclosure or information described below.

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## ITEM 4 - ADVISORY BUSINESS

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### ABOUT OUR FIRM

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Demeter Tactical Investments Corp. is currently registered with the Securities and Exchange Commission ("SEC") as an investment adviser, with its principal place of business located in Wyoming. Demeter Tactical Investments Corp. has been in business since November 2021, and its principal owner is Jeffrey Sexton. Our Firm is registering with the SEC as an investment adviser as of January 2024. Our Firm currently has offices located in Sheridan, WY, Louisville, KY and Indianapolis, IN.

This brochure is designed to provide detailed and precise information about each item noted in the table of contents. Certain disclosures are repeated in one or more items, and other disclosures are referred to throughout to be as comprehensive as possible on the broad subject matters discussed.

Within this brochure, specific terms in either are used as follows:

- DTIC refers to Demeter Tactical Investments Corp.
- "Firm," "Adviser," "we," "us," and "our" refer to Demeter Tactical Investments Corp.
- "Independent RIA" refers unaffiliated registered investment advisers
- "Investment Advisor Representative" refs to our professional representatives who provide investment recommendations or advice on behalf of Demeter Tactical Investments Corp.
- "Adviser Client" refers to the Independent RIA's Clients.
- "You," "yours," and "Client" refers to Clients of Demeter Tactical Investments Corp. and its advisors.
- "Code" refers to our Firm's Code of Ethics.
- "CCO" refers to our Chief Compliance Officer.

### ADVISORY SERVICES WE OFFER

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#### ASSET MANAGEMENT SERVICES PROVIDED TO INDEPENDENT REGISTERED INVESTMENT ADVISERS

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Our Firm has entered into agreements with unaffiliated registered investment advisers (hereafter referred to as "Independent RIA") whereby our Firm oversees and manages on a discretionary basis some or all of the Independent RIA's client assets ("Adviser Client") according to the investment strategy chosen by the client and Independent RIA. In these situations, the client remains a client of the Independent RIA. The decision as to what investment strategy(s) client assets are invested in is based on suitability information gathered and reviewed by the Independent RIA. When a strategy or model is selected for an Adviser Client account, the Independent RIA will provide DTIC with the amount of funds, either in terms of dollars or as a percent of the account's value, in the Adviser Client account to be invested in the investment strategy/model. DTIC is responsible for the implementation and trading activity of the selected strategy/model in proportion to the amount of assets invested. Our Firm will manage and rebalance these assets based on its investment strategies automatically based on the parameters of the model and not based on overall client suitability. Strategies are managed on an ongoing basis. The Independent RIA is responsible for the administrative paperwork, servicing the accounts and account maintenance. A third party grants the Independent RIA access to the performance software to enable performance reporting. A third party facilitates the billing on behalf of the Independent RIA.

As defined in our Agreement with the Independent RIA, the investment management fees are collected by our a third party. Then, the Independent RIA's portion is paid directly to the Independent RIA from the total

management fees deducted from the client's account. The authorization for use of third-party asset management services will be part of the other Independent RIA's Investment Advisory Agreement with the client.

Our Firm acts as a sub-advisor to the Independent RIA unaffiliated with our Firm. These Independent RIAs outsource some or all their portfolio management services which they offer to the Adviser Client and formalize the relationship through an Investment Management Agreement between Independent RIA and DTIC. Our Firm maintains a limited power of attorney to direct trading of each Adviser Client account to purchase and sell securities in the account(s). DTIC's discretionary authority to trade is through our Asset Management Agreement with the Independent RIA. Custodians may require additional paperwork from each Adviser Client to grant Trading Discretion to our Firm.

All client accounts will be held at an independent qualified Custodian recommended by the Independent RIA.

DTIC provides the following offering for its discretionary asset management services:

- Portfolio Management System
- Risk Assessment for the Adviser Client
- Custom Portfolio and Model Creation, Testing and Monitoring
- Reporting for Adviser Client Account(s)
- Third Party Money Management for Adviser Client Account(s)

#### ADMINISTRATIVE SERVICES

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We have contracted with an unaffiliated entity to utilize their technology platform which supports data reconciliation, performance reporting, fee calculation, client relationship maintenance, at least quarterly performance evaluations, and other functions related to the administrative tasks of managing client accounts. Due to this arrangement, this unaffiliated entity will have access to client accounts, but will not serve as an investment adviser to any clients. This firm bills our Firm an annual fee for each account administered by its software. Please note that the fee billed to our client, the Independent RIA, will not increase due to the annual fee DTIC pays to this unaffiliated firm. This annual fee is paid from the portion of the management fee retained by DTIC.

#### WRAP FEE PROGRAM

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Our Firm does not sponsor or participate in a Wrap Program.

#### ASSETS UNDER MANAGEMENT

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As of the date of this brochure, we do not have any assets under management as this is a newly formed entity.

### ITEM 5 - FEES AND COMPENSATION

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In addition to the information provided in Item 4 – Advisory Business, this section details our Firm's services and each service's fees and compensation arrangement. The Client and Independent RIA's Investment Advisory Agreement will outline and agree upon the exact costs and other terms related to the Client's Accounts.

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## INVESTMENT MANAGEMENT FEE

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Fees billed for our Asset Management services include the following: DTIC Fee for services defined in Item 4 ("DTIC Fee") and the Independent RIA's Advisory fee, if applicable. DTIC Fee is an asset based advisory fee for investment management services it provides to the Adviser Client Accounts.

Independent RIAs will engage our Firm in a sub-advisor capacity and will bill an advisory fee for the services provided by the Independent RIA to the Adviser Client. These fees are disclosed in each Independent RIA's Part 2A Brochure and Advisory Agreement. DTIC will apply the fee for each Adviser Client Account based upon Independent RIA's fee schedule provided to DTIC. The third party will calculate and debit fees payable in accordance with the asset management fee schedule included within the Asset Management Agreement executed by DTIC and the Independent RIA.

Fees are billed in arrears and will be calculated as a percentage of the average daily balance or ending month value of managed assets during the previous month as determined by the investment management agreement. There may be circumstances where Clients have negotiated an alternative billing method with our Firm. The Asset Management Agreement will outline the details of each billing arrangement with DTIC.

The Custodian will debit the combined total of the fees disclosed above from the Adviser Client Account(s) and disburse fees to each party for their individual portion of the combined total fee.

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## INVESTMENT MANAGEMENT SUBADVISOR FEES

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Our firm's maximum advisory fee is 1%. Fees are negotiable as the firm's discretion.

Either party may terminate the Subadvisor Agreement with a 30-day written notice. Upon termination of the Agreement by either party and for any reason, our Firm will prorate the final invoice amount for any earned fees up to and including the date of termination.

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## ADDITIONAL FEES AND EXPENSES:

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In addition to the advisory fees paid to our Firm, Adviser Client also incur certain charges imposed by other third parties, such as broker-dealers, custodians, trust companies, banks and other financial institutions (collectively "Financial Institutions"). These additional charges include custodial fees, charges imposed by a mutual fund or ETF in a client's account, as disclosed in the fund's prospectus (e.g., fund management fees and other fund expenses), deferred sales charges, odd-lot differentials, transfer taxes, wire transfer and electronic fund fees, regulatory fees assessed by FINRA and other fees and taxes on brokerage accounts and securities transactions. Our brokerage practices are described at length in Item 12, below. Further, our firm does not share in any of these additional fees and expenses outlined above.

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## ITEM 6 - PERFORMANCE-BASED FEES & SIDE-BY-SIDE MANAGEMENT

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Our Firm does not accept performance-based or other fees based on a share of capital gains or appreciation of a client's assets.

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## ITEM 7 - TYPES OF CLIENTS

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Our Firm provides investment management services to individuals, high-net-worth individuals, and other investment advisors.

## ITEM 8 - METHODS OF ANALYSIS, STRATEGIES, & RISK OF LOSS

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### METHODS OF ANALYSIS

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Our investment management process includes, but is not limited to, the use of proprietary software to conduct the due diligence and oversight of a diverse set of signals and models resulting in specifically strategies with varying risk, return, and tax outcomes. We believe that successful investment management is a combination of skilled analytics and targeted portfolio guidelines. DTIC prioritizes (but is not exclusive to) investment strategies that are supported by rigorous data analytics and algorithmic “intelligence”. According to DTIC’s proprietary research, this “intelligence” is more important to investment outcomes than traditional “theories” of investment performance such as “Modern Portfolio Theory.” While DTIC strongly believes in the power of asset allocation and diversification, we also believe that a tactical approach to the balancing of diversified asset classes is preferred when possible. When tax efficiency priorities of the client preclude trading activity, those preferences may be prioritized. DTIC generally limits its investment advice and/or money management to mutual funds, equities, and Exchange Traded Funds (“ETFs”).

A client’s investment portfolio is affected by general economic and market conditions, such as interest rates, availability of credit, inflation rates, economic conditions, changes in laws and national and international political circumstances.

Investing in securities involves certain investment risks. Securities may fluctuate in value or lose value. Clients should be prepared to bear the potential risk of loss. Use of software code to manage investment portfolios involves certain technological risks including, but not limited to, human error, hardware malfunction, logic conflicts within software code causing unintended downtime or outage/loss of power rendering computers unusable until restoration of power and communication lines such as fiber optic cables experiencing interruption.

Our methods rely 1) accurate price data being reported by data providers and 2) on the assumption that the underlying companies within our security allocations are accurately reviewed by the rating agencies and other publicly available sources of information about these securities, are providing accurate and unbiased data. While we are alert to indications that data may be incorrect, there is always a risk that our analysis may be compromised by inaccurate or misleading information.

### INVESTMENT STRATEGIES

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Our Firm may use any of the following investment strategies when managing Client assets and providing investment advice:

#### LONG-TERM HOLDING

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Generally, our Firm may purchase securities with the intent to hold them in the Client's account long-term (longer than one year). In extreme circumstances, we may be forced to sell a fund completely within a year of buying it. An example would be a fund Manager resigns, and we do not have confidence in the new management. Also, fund positions may be trimmed occasionally to rebalance the portfolio.

A risk in a long-term purchase strategy is that holding the security for this length of time may decline in value before we decide to sell. We do not guarantee the future performance of the account or any specific level of

performance, the success of any investment decision or strategy we may use, or the success of the overall management of the account. The Client understands that the investment decisions our Firm makes for the Client's account are subject to various market, currency, economic, political, and business risks and that those investment decisions will not always be profitable. Clients are reminded that investing in any security entails the risk of loss, which they should be willing to bear.

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## STRATEGIC ASSET ALLOCATION

Our Firm may base its investment strategy on the diversification of the Client's assets among various investment vehicles and asset classes, popularly termed "Asset Allocation." Our Firm's recommendations focus primarily on achieving a diversified portfolio of investment assets with desirable risk and return characteristics. We meet regularly to evaluate new and reevaluate existing investment opportunities. During these meetings, we deliberate on issues regarding the proper allocation of Client assets based on current conditions.

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## TACTICAL ASSET ALLOCATION

Our Firm's primary investment strategy is tactical asset allocation is an active management portfolio strategy that shifts the percentage of assets held in various categories to take advantage of market pricing anomalies or strong market sectors. This strategy allows portfolio managers to create extra value by taking advantage of certain situations in the marketplace. It is a very active strategy and tax inefficient for taxable accounts.

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## RISK OF LOSS

A Client's investment portfolio is affected by general economic and market conditions, such as interest rates, availability of credit, inflation rates, economic conditions, changes in laws, and national and international political circumstances.

Investing in securities involves certain investment risks. Securities may fluctuate in value or lose value. Clients should be prepared to bear the potential risk of loss. Our Firm will assist Clients in determining an appropriate strategy based on their tolerance for risk.

While we are alert to indications that data may be incorrect, there is always a risk that our analysis may be compromised by inaccurate or misleading information.

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## ACTIVE MANAGEMENT RISK

Due to its active management, a portfolio could underperform other portfolios with similar investment objectives or strategies.

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## ALLOCATION RISK

A portfolio may use an asset allocation strategy to pursue its investment objective. There is a risk that a portfolio's allocation among asset classes or investments will cause a portfolio to lose value or cause it to underperform other portfolios with a similar investment objective or strategy or that the investments themselves will not produce the returns expected.

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## CAPITALIZATION RISK

Small-cap and mid-cap companies may be hindered due to limited resources or less diverse products or services. Their stocks have historically been more volatile than the stocks of larger, more established companies.

## CONCENTRATION RISK

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Strategies concentrated in only a few securities, sectors or industries, regions or countries, or asset classes could expose a portfolio to greater risk. They may cause the portfolio value to fluctuate more widely than a diversified portfolio. Overexposure to certain sectors or asset classes (e.g., MLPs, REITs, etc.) may be detrimental to an investor if there is a negative sector move.

## CREDIT RISK

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The credit rating of an issuer of a security is based on, among other things, the issuer's historical financial condition and the rating agencies' investment analyses at the time of rating. An actual or perceived deterioration of the ability of an issuer to meet its obligations would harm the value of the issuer's securities.

## CYBERSECURITY RISK

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Increased Internet use makes a portfolio susceptible to operational and informational security risks. In general, cyber incidents can result from deliberate attacks or unintentional events. Cyberattacks include but are not limited to infection by computer viruses or other malicious software code, gaining unauthorized access to systems, networks, or devices through "hacking" or other means to misappropriate assets or sensitive information, corrupting data, or causing operational disruption. Cybersecurity failures or breaches of third-party service providers may cause disruptions at third-party service providers and impact our business operations, potentially resulting in financial losses; the inability to transact business; violations of applicable privacy and other laws, regulatory fines, or penalties; reputational damage; unanticipated expenses or other compensation costs; or additional compliance costs. Our Firm has an established business continuity and disaster recovery plan and related cybersecurity procedures designed to prevent or reduce the impact of such risks; there are inherent limitations in such plans and systems due in part to the evolving nature of technology and cyberattack tactics.

## DEFLATION RISK

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When inflation or expectations are low, the value and income of an account's investments in inflation-linked securities could fall, resulting in losses.

## EQUITY RISK

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Equity instruments are subject to equity market risk, the risk that common stock prices fluctuate over short or extended periods. Equity securities generally have greater price volatility than fixed-income securities. The market price of equity securities may increase or decrease, sometimes rapidly or unpredictably. Equity securities may decline in value due to factors affecting markets generally, industries, sectors or geographic regions represented in those markets, or individual security concerns.

## EVENT RISK

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The possibility is that an unforeseen event will negatively affect a company or industry and, thus, increase security volatility.

## ETF & ETN RISK

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ETFs and ETNs are, by definition, portfolios of securities. Although the unsystematic risk associated with investments in ETFs and ETNs may be low relative to investments in securities of individual issuers, some events can trigger sharp, and sometimes adverse, price movements in ETFs and ETNs unrelated to the markets' general

activities. These events include, but are not limited to, unanticipated dividends, changes to regular dividend amounts, announcements of rights offerings, and possible unexpected revisions to the net asset values of the ETF and ETN. ETFs are subject to market risk, whereas ETNs are subject to both market risk and the credit risk of the issuer of the ETN.

Further, certain Client accounts may hold (or short-sell) positions in volatility-related ETFs and ETNs. Leveraged ETFs and mutual funds, sometimes labeled "ultra" or "2x," or "4x," for example, are designed to provide a multiple of the underlying index's return, typically daily. Inverse products are designed to provide the opposite of the underlying index's return, typically daily. These products differ and can be riskier than traditional ETFs and mutual funds. Although these products are designed to provide returns that generally correspond to the underlying index, they may not be able to exactly replicate the performance of the index because of fund expenses and other factors. This is referred to as a tracking error. Continual re-setting of returns within the product may add to the underlying costs and increase the tracking error. As a result, this may prevent these products from achieving their investment objective. In addition, compounding of the returns can produce a divergence from the underlying index over time, particularly for leveraged products. Return distortions may be magnified in highly volatile markets with significant positive and negative swings. Some deviations from the stated objectives to the positive or negative are possible and may or may not correct themselves over time. These products use various strategies to accomplish their objectives, including swaps, futures contracts, and other derivatives. These products may not be diversified and can be based on commodities or currencies. These products may have higher expense ratios and be less tax-efficient than more traditional ETFs and mutual funds.

#### FIXED INCOME & DEBT RISK

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Debt securities are affected by changes in interest rates. When interest rates rise, the value of debt securities is likely to decrease. Conversely, when interest rates fall, the values of debt securities are likely to increase. The values of debt securities may also be affected by changes in the issuing entities' credit rating or financial condition.

#### FREQUENT TRADING RISK

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A portfolio manager may actively and frequently trade investments in a portfolio to carry out its investment strategies. Frequent trading of investments increases the possibility that a portfolio, as relevant, will realize taxable capital gains (including short-term capital gains, which are generally taxable at higher rates than long-term capital gains for U.S. federal income tax purposes), which could reduce a portfolio's after-tax return. Frequent trading can also mean higher brokerage and other transaction costs, which could reduce a portfolio's return. The trading costs and tax effects of portfolio turnover can adversely affect its performance.

#### INDUSTRY OR SECTOR RISK

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An account that focuses its investments in specific industries or sectors is more susceptible to developments affecting those industries and sectors than a more broadly diversified fund. Issuers in a single industry can react similarly to market, economic, industry, social, political, regulatory, and other conditions. For example, suppose an account has significant investments in technology companies. In that case, the account may perform poorly during a downturn in one or more industries or sectors that heavily impact technology companies.

#### INTEREST RATE RISK

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When interest rates increase, the value of the account's investments may decline, and the account's share value may decrease. This effect is typically more pronounced for intermediate and longer-term obligations. This effect is also typically more pronounced for mortgages and other asset-backed securities since the value may fluctuate

more significantly in response to interest rate changes. When interest rates decrease, the account's current income may decline.

## ISSUER RISK

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The risk is that an issuer of a security may perform poorly, and therefore, the value of its securities may decline. Poor management decisions, competitive pressures, technological breakthroughs, reliance on suppliers, labor problems or shortages, corporate restructurings, fraudulent disclosures, natural disasters, or other events, conditions, or factors may cause poor performance.

## LIQUIDITY RISK

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Low trading volume, large positions, or legal restrictions are some conditions that could limit or prevent a portfolio from selling securities or closing positions at desirable prices. Securities that are relatively liquid when acquired could become illiquid over time. The sale of any such illiquid investment might be possible only at substantial discounts or might not be possible at all. Further, such investments may take more work to value.

## MANAGEMENT RISK

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An account is subject to the risk that judgments about the attractiveness, value, or potential appreciation of the account's investments may prove to be incorrect. If the selection of securities or strategies fails to produce the intended results, the account could underperform other accounts with similar objectives and investment strategies.

## MARKET RISK

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Even a long-term investment approach cannot guarantee a profit. Economic, political, and issuer-specific events will cause the value of securities to rise or fall. Because the value of investment portfolios will fluctuate, there is the risk that you will lose money, and your investment may be worth less upon liquidation. Due to a lack of demand in the marketplace or other factors, an account may only be able to sell some or all the investments promptly or may only be able to sell assets at desired prices.

## MUTUAL FUND OR ETF RISK

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Our models and accounts may use certain ETFs and mutual funds to invest primarily in alternative investments or strategies. Investing in these alternative investments and strategies may only be suitable for some of our clients. These include special risks, such as those associated with commodities, real estate, and leverage, selling securities short, use of derivatives, potential adverse market forces, regulatory changes, and potential ill-liquidity. Special risks are associated with ETFs that invest principally in real estate securities, such as sensitivity to changes in real estate values or changes in interest rates and price volatility due to the ETF's concentration in the real estate market.

The risks with mutual funds include the costs and expenses within the fund that can impact performance, change of Managers, and the fund straying from its objective (*i.e.*, style drift). Mutual funds have certain costs associated with underlying transactions and operating costs, such as marketing and distribution expenses and advisory fees. Mutual fund costs and expenses vary from fund to fund and will impact a mutual fund's performance. Additionally, mutual funds typically have different share classes, as further discussed below, that trade at different Net Asset Values ("NAV") as determined at the daily market close and have different fees and expenses.

## PERFORMANCE OF UNDERLYING MANAGER RISK

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We select the mutual funds and ETFs in the asset allocation portfolios. However, we depend on the Manager of such funds to select individual investments in accordance with their stated investment strategy.

## REINVESTMENT RISK

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The possibility of investing a bond's cash flows at a rate lower than the expected rate of return assumed at the time of buying the bond. Reinvestment risk is high for bonds with long maturities and high coupons.

## SECTOR RISK

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The danger is that the stocks of many companies in one sector (like health care or technology) will fall in price simultaneously because of an event that affects the entire industry.

## TIMING RISK

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The risk is that the investment needs to perform better after its purchase or sale. Moreover, if the Client requires redemption, the Client may face a loss due to poor overall market performance or security performance at that time.

## ITEM 9 - DISCIPLINARY INFORMATION

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Registered investment advisers are required to provide information about all disciplinary information that would be material to a Client's evaluation of our Firm or the integrity of its management. Clients should refer to the Advisor's Form ADV Part 2B Brochure Supplement. If the Client did not receive the Advisor's Form ADV Part 2B Brochure Supplement, the Client should contact the Chief Compliance Officer using the information provided on the cover page of this Brochure. Our Chief Compliance Officer is available to address any questions a Client or prospective client may have regarding the above or any information outlined in this Brochure.

Our Firm has no legal or disciplinary events that are material to a Client or prospective clients, evaluation of our advisory business, or the integrity of our management services.

## ITEM 10 - OTHER FINANCIAL INDUSTRY ACTIVITIES & AFFILIATIONS

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Clients should review our IARs Form ADV Part 2B Brochure Supplement to determine whether the Client's IAR is engaged in any of the activities described below that may create a conflict of interest. If the Client did not receive the Advisor's Form ADV Part 2B Brochure Supplement, the Client should contact the Firm's Chief Compliance Officer using the information on the cover page of this Brochure. The Chief Compliance Officer is available to address any questions a Client or prospective client may have regarding any of the below conflicts of interest or any other information outlined in this Brochure.

## PRIVATE FUND

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Jeffrey Sexton owner of our Firm is also the owner of DTCI BVI Ltd., Demeter IntelliFund BVI Ltd., and Demeter IntelliFund Insulae Ltd. foreign affiliates of our Firm and Demeter IntelliFund Coloniae LP, Demeter Intellifund

US LP and Demeter Holdings USQQQ, LP domestic affiliates of our Firm. Jeffrey Sexton spends approximately less than 10% of his time in this area.

## LAW FIRM

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Jeffrey Sexton owner of our Firm is also the owner of Pirata PSC, an affiliate of our Firm. Jeffrey Sexton spends approximately less than 10% of his time in this area.

## OTHER BUSINESS

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Jeffrey Sexton owner of our Firm is also the owner of Louisville Land and Cattle Company, an affiliate of our Firm and holding company of a partial interest in Options Strategy Services LLC. Jeffrey Sexton spends approximately less than 10% of his time in this area.

## OTHER FINANCIAL INDUSTRY ACTIVITIES

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Our Firm, and our IARs, do not have a related company that is a (1) broker-dealer, municipal securities dealer, government securities dealer or broker, (2) other investment adviser or financial planner, (3) futures commission merchant, commodity pool operator, or commodity trading advisor, (4) banking or thrift institution, (5) accountant or accounting firm, (6) lawyer or law firm, (7) insurance company or agency, (8) pension consultant, (9) real estate broker or dealer, or (10) sponsor or syndicator of limited partnerships.

## ITEM 11 - CODE OF ETHICS, PARTICIPATION & INTEREST IN CLIENT TRANSACTIONS, & PERSONAL TRADING

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Our Firm maintains a Code of Ethics to reinforce the fiduciary principles governing our Firm and its employees. The Code, among other things, requires all employees to act with integrity and ethics, and professionalism.

Policies against overreaching, self-dealing, insider trading, and conflicts of interest are outlined in our Code. Our Code forbids employees from trading, either personally or on behalf of others, based on non-public material information or communicating non-public material information to others violating the law.

Additionally, our Code sets forth restrictions and quarterly attestations on receiving gifts, outside business activities, personal trading activity, maintenance of personal brokerage accounts, and other matters. The Code is appropriately designed and implemented to prevent or eliminate potential conflicts of interest between our Firm, our employees and IARs, Clients, and investors. We always strive to make decisions in our Client's best interest should a conflict of interest arise.

Clients should be aware that no set of rules, policies, or procedures can anticipate, avoid, or address all potential conflicts of interest.

Our employees, IARs, and our associated persons are not prohibited from owning or trading securities bought, sold, and recommended to our Clients, provided such personal trading activity complies with the parameters, limitations, and requirements of the Code. Employees, IARs, and associated persons must receive approval from our Firm's CCO when engaging in reportable securities transactions. Our CCO is responsible for reviewing all employees', IARs, and associated persons' trading when they occur and periodically reviewing trading activity. Our CCO has broad discretion to reject employee trading for any reason. Our Firm's policies and procedures related to the personal trading activity of employees aim to demonstrate our commitment to placing Clients' interests ahead of our trading interests.

While our Firm does not maintain a proprietary trading account and therefore does not have a direct material financial interest in any securities it recommends to Clients, in certain situations, our Firm's employees and associated persons may purchase interests in the same securities at the same or different portfolio percentages or risk levels, in which one or more Clients is investing or has invested. Conversely, a Client may purchase interests in security where our employees, IARs, and associated persons are investing or have invested.

Any exceptions to the Code require the prior approval of the CCO. We will provide a copy of the Code to any Client or prospective client upon such written or verbal request. Such requests should be directed to our Firm's CCO at the contact information listed in Item 1 - Cover Page of this Brochure.

## ITEM 12 - BROKERAGE PRACTICES

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### INVESTMENT MANAGEMENT SERVICES

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Clients must maintain assets in an account with a "qualified Custodian," generally a broker-dealer or bank. If our Firm is asked to give a recommendation, our recommendation is generally based on the broker's cost and fees, skills, reputation, dependability, and compatibility with the Client. The Client may obtain lower commissions and fees from other brokers.

### CUSTODIANS

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DTIC does not utilize any particular executing broker-dealer or custodian and currently has relationships with many executing broker-dealer and custodians that provide brokerage, clearing and custody services to Independent RIAs. The choice of which custodian to utilize is determined by the Adviser Client in consultation with the Independent RIA. Clients enter a separate contractual relationship with the selected custodian, and the Independent RIAs may limit Adviser Clients to a subset of custodians. Those Independent RIAs may be affiliated with one or more of these custodians and may require the Adviser Clients to contract with that custodian. If an Independent RIA requires a Client to utilize the services of an affiliated custodian, the Independent RIA may benefit, and Adviser Client should review the Independent RIA's Form ADV Part 2A for a description of any potential conflicts of interests.

Such fees may be charged directly to the Adviser Client or may be included within the overall cost of the security. Several of the available custodians apply minimum fees for Adviser Client accounts, which will be disclosed by the custodian to Adviser Clients in the applicable custodian's account documentation.

Generally, DTIC directs transactions to the custodian chosen by Adviser Clients, based on the lack of commissions or other trading costs for such trades. Although DTIC is aware of the possibility that better execution may be available at another broker-dealer, executing at another broker-dealer other than the custodian chosen by the Adviser Client (custodian of record) could delay the timely receipt of updated transaction and account information necessary for DTIC to process Adviser Client accounts within its technology platform on a timely basis.

### BEST EXECUTION AND TRADING

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DTIC has adopted a Best Execution Policy pursuant to which DTIC reviews exception reports containing samples of trades to monitor for best execution. Our Firm is guided by applicable regulatory requirements and equitable treatment in trading such Adviser Client accounts.



## TRADE AGGREGATION & TRADING

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The Independent RIA may delegate certain operational functions to DTIC or third party, including trade order entry with respect to the investment strategy. Due to different trading technology platforms, the timing of trading among the different Investment strategies may, and often does, differ. DTIC maintains “average price accounts” at each Custodian recommended by the Independent RIA. Generally, trades made within the same investment strategies are aggregated in the same trading block so that all accounts within that trading block will receive the same price for execution based on the average price for the block. Typically, for each investment strategy, trades for new accounts, style changes and previous day contributions are aggregated in one trade block per custodian.

DTIC routes the majority of trades resulting from Adviser Client transactions in model portfolios and manager investment strategy updates to a third party or directly to the custodian(s) of record. For the trades not submitted to the custodian of record, DTIC’s primary objective is to obtain prompt execution of orders at the most favorable prices reasonably obtainable.

## TRADE ROTATION POLICY

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DTIC has adopted policies and procedures to define the sequence in which DTIC communicates trades and investment strategy advice (the “DTIC Trade Rotation”). DTIC utilizes the DTIC Trade Rotation, as necessary, when placing trades for client accounts in which DTIC has investment discretion as Portfolio Manager (“DTIC Discretionary Accounts”).

## REBALANCING

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The Independent RIA may change the allocation or investment strategies (sleeves) used to manage a portion of the portfolio without receiving instructions signed by the Adviser Client in each case. In the event of an asset allocation change, DTIC rebalances the portfolio accordingly (a “Global Rebalance”). During the life of the portfolio, DTIC may change the investment vehicles used within the portfolio to attempt to achieve more effective tracking to a benchmark.

Accounts are systematically reviewed periodically to determine if they fall outside of the drift parameters. If the account has drifted away from the allocation to selected investment strategies such that it falls outside of the established parameters, it will be rebalanced back to the selected allocation. If the account is within the drift parameters, the account will not be rebalanced. DTIC retains discretion to determine if a rebalance is appropriate at any time during the life of the account.

## BLACKOUT PERIODS AND DISBURSEMENTS

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DTIC will rely on a third party to implement blackout periods (including changes to underlying investment vehicles, asset allocation changes, rebalances and withdrawals) due to Regulation T violations. During such blackout periods, processing of certain maintenance requests, such as contributions and withdrawals, and the associated trading may be delayed until the blackout period is complete. Because Adviser Client assets remain invested during the blackout period, the value of an Adviser Client’s account may decrease (or increase) during the blackout period. Requests to fully liquidate and terminate a Client account will not be impacted by blackout periods.

The Adviser Client is required to request disbursements from the Independent RIA.

## BROKERAGE FOR CLIENT REFERRALS

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Our Firm does not receive client referrals from any Custodian or third party in exchange for using that broker-dealer or third party.

## TRADE ERRORS

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We have implemented procedures designed to prevent trade errors; however, trade errors in client accounts cannot always be avoided. In all situations, our Firm will absorb any loss resulting from the trade error if the error was caused by the firm. If the error is caused by the Custodian, the Custodian will be responsible for covering all trade error costs. If an investment gain results from the correcting trade, the gain will be donated to charity. We will never benefit or profit from trade errors.

## SOFT DOLLARS

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Currently DTIC does not receive any soft dollar benefits. However, it is our policy to stay within the safe harbor provisions of 28(e) Securities Exchange Act of 1934 should the Firm do so in the future.

# ITEM 13 - REVIEW OF ACCOUNTS

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## ACCOUNT REVIEWS AND REVIEWERS – INVESTMENT SUPERVISORY SERVICES

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Our Firm monitors our portfolios and strategies on a regular basis for consistency with investment asset allocation, risk tolerance, and performance relative to the appropriate benchmark. More frequent reviews may be triggered by changes in geopolitical and macroeconomic specific events.

## STATEMENTS AND REPORTS

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The custodian for the individual client's account will provide clients with an account statement at least monthly. Through our written Agreement with the Independent RIAs, Independent RIAs will have access to a third party online portal that provides report detailing their current positions, asset allocation, and year-to-date performance provided by our Firm.

Investors are urged to compare the reports provided by the Independent RIA, if applicable, against the account statements received directly from the account custodian.

# ITEM 14 - CLIENT REFERRALS & OTHER COMPENSATION

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## INDEPENDENT RIA

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DTIC enters into relationships with Independent RIAs who have been granted authorization to utilize a third-party asset manager for management of their client assets.

## OTHER PROFESSIONALS

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Our Firm may refer business to estate planning attorneys, accountants, insurance brokers, and other professionals. However, we do not receive monetary or other material compensation for referring Clients to such professionals. We also do not pay any person or firm commissions or other items of material value for referring Clients to us. If we receive or offer an introduction to a Client, we do not pay or earn a referral fee, nor are there established quid pro quo arrangements. Each Client can accept or deny such referral or subsequent services.

## ITEM 15 - CUSTODY

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Regulators have defined custody as having access or control over Client funds or securities. As it applies to our Firm, we do not have physical custody of funds or securities.

DTIC does not have physical custody, as it applies to investment advisors. Custody has been defined by regulators as having access or control over client funds and/or securities.

## DEDUCTION OF ADVISORY FEES

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Through our written Advisory Agreement, the Firm has been given the authority to have fees deducted directly from client accounts. DTIC relies on a third party to establish procedures to ensure all client funds and securities are held at a qualified custodian in a separate account for each client under that client's name. Clients of the Independent RIAs will direct, in writing, the establishment of all accounts and therefore are aware of the qualified custodian's name, address, and the way the funds or securities are maintained. Finally, account statements are delivered directly from the qualified custodian to each client, or the client's independent representative, at least quarterly. Clients should carefully review those statements and are urged to compare the statements against reports received from the Independent RIAs. When clients have questions about their account statements, clients should contact their Independent RIA / designated Investment Advisor Representative or their qualified custodian preparing the statement.

Please refer to Item 5 for more information about the deduction of adviser fees.

## ITEM 16 - INVESTMENT DISCRETION

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### DISCRETIONARY AUTHORITY

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DTIC has ongoing and continuous oversight over the strategies/models offered. DTIC is responsible for the implementation, trading activity and selection of the strategy/model offered to the Client. DTIC has the authority designated through the Agreement with the Independent RIA to manage and rebalance Adviser Client accounts automatically based on the parameters of the model/investment strategies and not based on overall Adviser Client suitability. Through our Agreement with other Independent RIAs, DTIC is granted this trading discretionary authority. Trading discretion is inherently limited to selected models and securities selected through our platform. Further, our Firm has discretion over the timing and execution of the securities offered with the model/strategy to best manage the execution without prior consent from Clients.

The Adviser Client remains a client of the Independent RIA. The decision as to what investment strategy(s) client assets are invested in is based on suitability information gathered and reviewed by DTIC's Client, the Independent RIA

DTIC is authorized, in its discretion and without prior consultation to: (1) buy, sell, exchange and trade any stocks, bonds or other securities or assets and (2) determine the amount and timing of securities to be bought or sold, and (3) place orders directly with the custodian. Any limitations to such discretionary authority will be communicated to our Firm in writing to DTIC.

## **ITEM 17 - VOTING CLIENT SECURITIES**

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### **PROXY VOTING**

Our Firm will not vote for Client securities. Clients will receive proxies or other solicitations directly from the Custodian or a transfer agent. Clients are responsible for obtaining and voting proxies for all securities maintained in their portfolios. We may provide advice to you regarding your voting of proxies. Clients can

### **CLASS ACTION LAWSUITS**

Our Firm does not advise or instruct Clients on whether to participate as a member of class action lawsuits and will not automatically file claims on the Client's behalf. However, if a Client notifies us that they wish to participate in a class action, we will provide the Client with transaction information about the Client's account that is required to file a proof of claim in a class action.

## **ITEM 18 - FINANCIAL INFORMATION**

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### **FINANCIAL CONDITION**

Our Firm has no financial commitment that impairs its ability to meet Client contractual and fiduciary obligations and has not been the subject of a bankruptcy proceeding. We do not require or solicit prepayment of more than \$1,200 in fees per Client six months or more in advance. Therefore, we are not required to include a balance sheet for the most recent fiscal year.