

**FORM ADV PART 2A: BROCHURE**



**Relative Sentiment Technologies, LLC**

**Humacao, Puerto Rico 00791**

**845-475-7905**

**<https://www.relativesentiment.com>**

**CRD # 318050**

**SEC File No. 801-123211**

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This brochure (the “Brochure”) provides information about the qualifications and business practices of Relative Sentiment Technologies, LLC (“RST” or the “Firm”). If you have any questions about the contents of this Brochure, please contact us at 845-475-7905. The information in this Brochure has not been approved or verified by the United States Securities and Exchange Commission (the “SEC”) or by any state securities authority. Registration with the SEC or with any state securities authority does not imply a certain level of skill or training.

Additional information about RST is also available on the SEC’s website at [www.adviserinfo.sec.gov](http://www.adviserinfo.sec.gov). You can search the SEC’s site using a unique identifying number, known as a CRD number. The CRD number for RST is #318050.

## **ITEM 2: MATERIAL CHANGES**

This represents the initial filing of Form ADV Part 2A Brochure for Relative Sentiment Technologies, LLC (“RST” or the “Firm”).

Going forward, RST will provide clients with a summary of any material changes to this Brochure within 120 days of the close of the Firm’s fiscal year end. RST will provide additional interim disclosure about material changes, if warranted, in compliance with regulatory guidance. To obtain a current copy of the Firm’s Brochure at any time, please contact the Chief Compliance Officer at [Ray@RelativeSentiment.com](mailto:Ray@RelativeSentiment.com).

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## **ITEM 4: ADVISORY BUSINESS**

### **A. Description of Adviser and Ownership**

Relative Sentiment Technologies, LLC (“RST,” “Firm,” “we,” “our,” and “us”) was formed in November 2021 to provide investment advisory services. The Firm is a limited liability company formed in Puerto Rico with its principal place of business in Humacao, Puerto Rico. The Firm is principally owned by Managing Member, Dr. Raymond Micaletti, who also serves as RST’s Chief Compliance Officer. The Firm became registered as an investment adviser with the U.S. Securities and Exchange Commission (“SEC”) on February 9, 2022.

### **B. Scope of Advisory Services**

#### **Sub-Advisory Services**

The Firm serves as a non-discretionary investment Sub-Adviser to an actively managed 1940 Investment Company Act product (“Relative Sentiment Tactical Allocation ETF”, symbol “MOOD”, or the “Fund”). The Fund launched in May 2022. RST provides sub-advisory services to the Fund for an annual fee based on the percentage of the value of the assets that are sub-advised (“sub-advisory fee”). MOOD dynamically allocates to equities, bonds, and gold via Exchange-traded Funds (“ETFs”) using an ensemble of relative sentiment indicators.

#### **Model Delivery Services**

RST provides model portfolio services primarily to unaffiliated investment advisory firms and other investors such as family offices. These services entail RST providing model portfolios from which unaffiliated investment advisory firms can select on behalf of their clients. RST provides model asset allocations and underlying holdings in accordance with the terms set forth in legal agreements with each investment advisory firm. Following initial model construction, RST provides recommended model changes periodically as appropriate based on market conditions and investment advisory firm direction. Investment advisory clients retain full authority to implement the modeled strategies including the management of all trading and administrative aspects of client account management.

When deemed appropriate, recommended models may include an allocation to MOOD. RST receives compensation as the Sub-Adviser to MOOD, and so we face a conflict of interest when recommending the Fund to our model portfolio clients. We maintain procedures to ensure that all recommendations are made in our clients’ best interest, regardless of the nature of compensation accruing to us, while the investment advisers implementing our model recommendations retain full discretion to include or not include allocations to MOOD.

### **C. Customized Advice**

RST manages the Fund in accordance with the provisions set forth in the prospectus and does not provide customized advice to individual Fund shareholders who are invested in the Fund.

RST customizes model portfolios as directed by each unaffiliated investment advisory firm. Model portfolios generally consist of ETFs which provide exposure to underlying assets classes including equities, fixed income securities, and commodities.

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

RST does not sponsor nor participate in wrap fee programs.

#### **E. Assets under Management**

As of December 31, 2023, RST managed \$13.24M in assets, all on a non-discretionary basis.

### **ITEM 5: FEES AND COMPENSATION**

#### **A. Description of Fees**

##### **Sub-Advisory Fees**

As noted above, RST is the non-discretionary Sub-Adviser to MOOD. The adviser to MOOD pays RST sub-advisory fees which are calculated daily and paid monthly in arrears, at an annual rate of 0.65% based on the Fund's average daily net assets. As a non-discretionary sub-adviser, RST will not receive any portion of commissions, transaction fees, or other brokerage costs generated by MOOD. More information about Fund fees can be found in the prospectus.

##### **Model Delivery Fees**

When RST acts as a model provider, we receive a flat fee from each unaffiliated investment adviser. Under these arrangements, RST will not have any direct agreement or communication with the adviser's underlying clients. RST's model fees are negotiable and vary from one adviser to another. Any underlying client of such investment advisers who is seeking information on the specific billing schedule that would be applicable to an account should contact their investment adviser.

#### **B. Fee Billing Arrangements**

RST is generally paid monthly by each investment adviser for providing model portfolio services. RST has no access to underlying client accounts and therefore does not deduct fees.

#### **C. Other Fees and Expenses**

Aside from advisory fees paid to RST, clients will generally incur additional expenses. For example, clients will pay, when applicable, brokerage commissions, custodial fees, SEC fees on sell transactions or other fees and taxes related to the trade execution and settlement process. These expenses are paid by clients to third parties and do not accrue to RST. Clients who select a custodian that charges per-trade fees will pay higher transaction fees than other clients who are not subject to these fees, especially when portfolio turnover rates rise.

#### **D. Timing of Fees**

RST is generally paid for its services at the end of the billing period, which is generally monthly. Partial period fees and termination provisions are specified in the respective model provider agreement, which may vary from one investment adviser to another.

## **E. Outside Compensation For the Sale of Securities**

Neither RST nor its employees accept any compensation for the sale of investment products, including asset-based sales charges or service fees from the sale of mutual funds. As Sub-Adviser to MOOD, RST is deemed to be a sponsor of MOOD. In this capacity, RST has entered into a separate agreement with MOOD's platform adviser to bear the costs and fees of launching MOOD on RST's behalf. In return for bearing the fees and expenses of MOOD, RST, as fund sponsor, is entitled to the profits of MOOD, if any, after all expenses of MOOD are paid.

Please see Item 12 of this Brochure for additional information about brokerage-related expenses.

## **ITEM 6: PERFORMANCE-BASED FEES AND SIDE-BY-SIDE MANAGEMENT**

RST does not provide any services for performance-based fees. Performance-based fees are those based on a share of capital gains or on capital appreciation of the assets of a client. RST also does not engage in side-by-side management.

## **ITEM 7: TYPES OF CLIENTS**

As a non-discretionary Sub-Adviser to a publicly traded Fund, RST serves a single client, namely, the investment adviser to MOOD. This client is an SEC registered investment adviser and authorized by the board of trustees of MOOD to delegate certain portfolio management duties to RST. Minimum investment amounts are specified in MOOD's prospectus.

As noted above, RST provides model portfolio services to registered investment advisers and other investors such as family offices. The Firm may also offer model portfolio services to high-net-worth clients. RST imposes no asset or fee minimums for its model portfolio services, although the underlying registered advisers may impose asset or fee minimums for their clients to participate in the model portfolio program.

## **ITEM 8: METHODS OF ANALYSIS, INVESTMENT STRATEGIES AND RISK OF LOSS**

### **A. Methods of Analysis and Strategies**

#### **Sub-Advisory Services**

The Fund's active investment strategy seeks to achieve capital appreciation by dynamically allocating to equities, bonds, and gold using an ensemble of relative sentiment indicators. The Fund is considered to be non-diversified, which means that it may invest more of its assets in the securities of a single issuer or a smaller number of issuers than if it were a diversified portfolio. RST uses both public and third-party data sources to assess investor sentiment among institutional and retail investors. RST adjusts the Fund's "risk on" or "risk off" allocations based on the degree to which institutions are bullish or bearish on an asset class relative to retail investors. RST recomputes the Fund's allocations weekly and rebalances when allocations have shifted beyond a certain threshold.

Some of the data sources used by RST will differ in how they define or otherwise classify retail and institutional investors. For example, some public data sources capture and report trading information of investors who exceed certain prescribed regulatory transaction reporting thresholds. For purposes of the Fund, RST would consider investors that exceed the regulatory transaction reporting thresholds to be institutional investors and those who do not exceed the applicable thresholds would be considered retail investors. Other third-party data sources will use different criteria in classifying retail and institutional investors. RST analyzes such third-party data based on the source of the information and how it was compiled. In our view, when relative sentiment increases for particular asset classes (like U.S. and foreign equity securities), that suggests institutions have become more bullish on those asset classes than retail investors generally. Conversely, when relative sentiment decreases, that suggests institutions have become more bearish on those asset classes compared to retail investors generally. The Fund's portfolio is tactically allocated among passively managed U.S. and foreign, developed market, equity ETFs, bond ETFs, and, in some instances, gold exchange-traded products ("ETPs"), commodities ETPs, and currency ETPs. We seek to allocate the Fund's portfolio among the foregoing assets classes depending on whether they are then-currently more favored by institutional investors than by retail investors.

### **Model Provider Services**

RST provides a menu of investment strategies when delivering model portfolio services. RST takes a consultative approach to its relationship with investment advisers and other model portfolio clients, adjusting the range of models offered based on each client's needs. Models provide exposure to various asset types, including equities, bonds, commodities, and alternative investments, all through ETFs with a strategic, long-term view toward achieving investment objectives.

In addition to the relative sentiment data outlined above, RST also uses fundamental analysis to structure model portfolios. Fundamental analysis utilizes economic and business indicators as investment selection criteria. These criteria generally consist of ratios and trends that may indicate the overall strength and financial viability of the asset class analyzed. Asset classes are deemed suitable if they meet certain criteria to indicate that they are a strong investment with a value discounted by the market. While this type of analysis helps us evaluate a potential investment, it does not guarantee that the investment will increase in value. Assets meeting the investment criteria utilized in the fundamental analysis may lose value and may have a negative investment performance. We monitor these economic indicators to determine if adjustments to strategic allocations are appropriate over time.

### **B./C. Risk of Loss**

**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. Despite RST's best efforts to minimize investment risk, there is no guarantee that clients will meet their investment goals.**

**The risks outlined below do not reflect every investment risk associated with an investment in MOOD or our model portfolio services. Please read MOOD's prospectus carefully before investing.**

**Investment Risk**

Investments could lose money due to short-term market movements and over longer periods during market downturns. Securities may decline in value due to factors affecting securities markets generally or particular asset classes or industries represented in the markets. The value of a security may decline due to general market conditions, economic trends or events that are not specifically related to the security issuer or to factors that affect a particular industry or group of industries. During a general downturn in the securities markets, multiple asset classes may be negatively affected. There is no guarantee that RST's judgment, models or portfolio construction decisions about particular investments or asset classes will necessarily produce the intended results. RST's judgment may prove to be incorrect. RST may also make future changes to the algorithms that it uses and services that it provides.

**Equity Investing Risk**

An investment in an RST recommended portfolio involves risks similar to those of investing in any fund holding equity securities, such as market fluctuations, changes in interest rates and perceived trends in stock prices. The values of equity securities could decline generally or could underperform other investments. In addition, securities may decline in value due to factors affecting a specific issuer, market or securities markets generally.

**Quantitative Security Selection and Model Risk**

Data for some investors' holdings or sentiments may be less available and/or less current than data used by other investment advisory firms. RST uses quantitative analyses, and its processes could be adversely affected if erroneous or outdated data is utilized. Moreover, the data utilized to evaluate investor sentiment will reflect data that is collected by regulators and other third parties. This data may be incomplete or incorrect and therefore could be inaccurate in whole or in part. If the data is incomplete or incorrect, any decisions made in reliance thereon may lead to the inclusion or exclusion of securities that would have been excluded or included had the data been more comprehensive. In addition, securities selected using a quantitative analysis could perform differently from the financial markets as a whole as a result of the characteristics used in the analysis, the weight placed on each characteristic, and changes in the characteristic's historical trends.

**Large-Capitalization Companies Risk**

Returns on investments in underlying ETFs that invest in large-capitalization companies may trail the returns of the overall stock market. Large-capitalization stocks tend to go through cycles of doing better - or worse - than the stock market in general. These periods have, in the past, lasted for as long as several years.

**Smaller Companies Risk**

Investments in underlying ETFs that invest in small-capitalization companies and mid-capitalization companies, including smaller, earlier stage companies, at times involve additional risks. These risks can be relatively higher with smaller companies. These additional risks could result from limited product lines, more limited access to markets and financial resources, greater vulnerability to competition and changes in markets, lack of management depth, increased volatility in share price, and possible difficulties in valuing or selling these investments.



**Foreign Investment Risk**

Returns on investments in underlying ETFs that invest in foreign securities could be more volatile than, or trail the returns on, ETFs that invest in U.S. securities. Investments in or exposures to foreign securities are subject to special risks, including differences in information available about issuers of securities and investor protection standards applicable in other jurisdictions; capital controls risks, including the risk of a foreign jurisdiction imposing restrictions on the ability to repatriate or transfer currency or other assets; currency risks; political, diplomatic and economic risks; regulatory risks; and foreign market and trading risks, including the costs of trading and risks of settlement in foreign jurisdictions.

**Geopolitical/Natural Disaster Risks**

Portfolio investments are subject to geopolitical and natural disaster risks, such as war, terrorism, trade disputes, political or economic dysfunction within some nations, public health crises and related geopolitical events, as well as environmental disasters, epidemics and/or pandemics, which may add to instability in world economies and volatility in markets. The impact may be short-term or may last for extended periods.

**Bond Risks**

Portfolio investments will be subject to bond and fixed income risks. When relative sentiment in equities is “bearish,” those risks will be heightened, because the Fund will invest a higher percentage of its assets in underlying bond ETFs.

Changes in interest rates generally will cause the value of fixed-income and bond instruments held by underlying ETFs to vary inversely to such changes. For example, as interest rates increase, bond prices generally will decrease. A low interest rate environment heightens the risks associated with rising interest rates. Prices of longer-term fixed-income instruments generally fluctuate more than the prices of shorter-term fixed income instruments as interest rates change. Fixed-income instruments that are fixed-rate are generally more susceptible than floating rate instruments to price volatility related to changes in prevailing interest rates. The prices of floating rate fixed-income instruments tend to have less fluctuation in response to changes in interest rates, but will have some fluctuation, particularly when the next interest rate adjustment on such security is further away in time or adjustments are limited in amount over time. Underlying ETFs may invest in short-term securities that, when interest rates decline, affect the ETF’s yield as these securities mature or are sold and the ETF purchases new short-term securities with lower yields. An obligor’s willingness and ability to pay interest or to repay principal due in a timely manner may be affected by, among other factors, its cash flow.

**Commodities Risk**

Commodities include, among other things, energy products, agricultural products, industrial metals, precious metals and livestock. The commodities markets may fluctuate widely based on a variety of factors, including overall market movements, economic events and policies, changes in interest rates or inflation rates, changes in monetary and exchange control programs, war, acts of terrorism, natural disasters and technological developments. Variables such as disease, drought, floods, weather, trade, embargoes, tariffs and other political events, in particular, may have a larger impact on commodity prices than on traditional securities. These additional variables may create additional investment risks that subject an ETF’s/ETP’s investments to greater volatility than

investments in traditional securities. The prices of commodities can also fluctuate widely due to supply and demand disruptions in major producing or consuming regions. Because certain commodities may be produced in a limited number of countries and may be controlled by a small number of producers, political, economic and supply-related events in such countries could have a disproportionate impact on the prices of such commodities. These factors may affect the value of an ETF/ETP in varying ways, and different factors may cause the value and the volatility of an ETF/ETP to move in inconsistent directions at inconsistent rates.

### **Gold Risk**

RST may recommend an investment in underlying exchange-traded products that, in turn, invest primarily in the gold industry. The prices of gold and gold operation companies are affected by the price of gold as well as other prevailing market conditions. These prices may be volatile, fluctuating substantially over short periods of time. In times of stable economic growth, traditional equity and debt investments could offer greater appreciation potential and the price of gold may be adversely affected.

### **Currency Exchange Rate Risk**

Changes in currency exchange rates and the relative value of non-U.S. currencies will affect the value of investments. Currency exchange rates can be very volatile and can change quickly and unpredictably. As a result, the value of an investment may also change quickly, unpredictably, and without warning, and you may lose money.

### **Capital Controls and Sanctions Risk**

Economic conditions, such as volatile currency exchange rates and interest rates, political events, military action and other conditions may, without prior warning, lead to foreign government intervention (including intervention by the U.S. government with respect to foreign governments, economic sectors, foreign companies and related securities and interests) and the imposition of capital controls and/or sanctions, which may also include retaliatory actions of one government against another government, such as seizure of assets. Capital controls and/or sanctions include the prohibition of, or restrictions on, the ability to own or transfer currency, securities or other assets, which may potentially include derivative instruments related thereto. Capital controls and/or sanctions may also impact the ability of a portfolio to buy, sell, transfer, receive, deliver or otherwise obtain exposure to, foreign securities or currency, negatively impact the value and/or liquidity of such instruments, adversely affect the trading market and price for portfolio holdings, and cause portfolios to decline in value.

### **Non-Diversification Risk**

If a portfolio is non-diversified, it may be more sensitive to economic, business, political or other changes affecting individual issuers or investments than a diversified fund, which may result in greater fluctuation in the value of the portfolio and greater risk of loss.

### **High Portfolio Turnover Risk**

A portfolio's investment strategy may result in higher turnover rates. This may increase the portfolio's brokerage commission costs, which could negatively impact the performance of the portfolio. Rapid portfolio turnover also exposes investors to a higher current realization of short-

term capital gains, distributions of which would generally be taxed to you as ordinary income and thus cause you to pay higher taxes.

### **Fund of Funds Risk**

Because recommended portfolios invest in other funds, investment performance largely depends on the investment performance of the selected underlying ETFs and ETPs. At times, certain of the segments of the market represented by a portfolio's ETFs and ETPs may be out of favor and underperform other segments. A portfolio will indirectly pay a proportional share of the expenses of the underlying ETFs and ETPs in which it invests (including operating expenses and management fees).

### **Machine Learning Risk**

Recommended portfolios may rely on publicly available "machine learning" selection processes as well as data and information supplied by third parties that are utilized in those processes. To the extent the machine learning process does not perform as designed or as intended, a portfolio's strategy may not be successfully implemented and the portfolio may lose value. If the input data is incorrect or incomplete, any decisions made in reliance thereon may lead to the inclusion or exclusion of securities that would have been excluded or included had the data been correct and complete.

### **ETF Risk – Market Participant Concentration Risk**

An ETF has a limited number of financial institutions that may act as Authorized Participants ("APs"). In addition, there may be a limited number of market makers and/or liquidity providers in the marketplace. To the extent either of the following events occur, shares may trade at a material discount to their net asset value ("NAV") and possibly face delisting: (i) APs exit the business or otherwise become unable to process creation and/or redemption orders and no other APs step forward to perform these services, or (ii) market makers and/or liquidity providers exit the business or significantly reduce their business activities and no other entities step forward to perform their functions.

### **ETF Risk - Premium-Discount Risk**

The market prices of shares will generally fluctuate in accordance with changes in NAV as well as the relative supply of, and demand for, shares on NYSE Arca, Inc. (the "Exchange") or other securities exchanges. The trading price of shares may deviate significantly from NAV during periods of market volatility or limited trading activity in shares.

### **ETF Risk - Cost of Trading Risk**

Investors buying or selling ETF shares in the secondary market will pay brokerage commissions or other charges imposed by brokers as determined by that broker. Brokerage commissions are often a fixed amount and may be a significant proportional cost for investors seeking to buy or sell relatively small amounts of shares.

### **ETF - Trading Risk**

Although ETF shares are listed on an Exchange, there can be no assurance that an active or liquid trading market for them will develop or be maintained. In addition, trading in ETF shares on an Exchange may be halted. In stressed market conditions, the liquidity of an ETF's shares may begin

to mirror the liquidity of its underlying portfolio holdings, which can be significantly less liquid than the ETF's shares, potentially causing the market price of the ETF's shares to deviate from its NAV.

#### **ETF – Fund of Fund Layering of Fees**

There is a layering of fees in a fund of fund arrangement which include fees charged by RST plus any management fees paid by an ETF to its investment adviser. This scenario may cause a higher cost (and potentially lower investment returns) than if an investor purchased an ETF directly. An ETF typically includes embedded expenses that may reduce an ETF's NAV, and therefore directly affect the ETF's performance and indirectly affect an investor's portfolio performance or an index benchmark comparison. Expenses of an ETF may include investment adviser management fees, custodian fees, brokerage commissions, and legal and accounting fees. ETF expenses may change from time to time at the sole discretion of the ETF issuer. ETF tracking error and expenses may vary.

**Past performance is not a guarantee of future returns. Investing in securities and other investments involve a risk of loss that each client should understand and be willing to bear.**

### **ITEM 9: DISCIPLINARY INFORMATION**

Neither RST nor any employee has been involved in any legal or disciplinary event.

### **ITEM 10: OTHER FINANCIAL INDUSTRY ACTIVITIES AND AFFILIATIONS**

#### **A. Related Broker-Dealers**

Dr. Micaletti, Managing Member of RST, also serves as Chief Executive Officer of Ahana Markets, LLC, a startup broker-dealer approved for Regulation A and D offerings. Ahana Markets, LLC is a subsidiary of Mars Markets, which is launching a platform for musical artists (and other entertainers/influencers) to sell shares in their existing revenue streams. There are no apparent conflicts of interest associated with this activity.

#### **B. Related Futures Commission Merchant, Commodity Pool Operator or Commodity Trading Adviser**

Neither RST nor any of its management persons are registered or have an application pending to register, as a futures commission merchant, commodity pool operator, commodity trading advisor, or an associated person of the foregoing entities.

#### **C. Other Material Relationships**

RST serves as Sub-Adviser and sponsor of MOOD. In this capacity, RST has entered into a separate agreement with MOOD's platform adviser to bear the costs and fees of launching MOOD on RST's behalf. In return for bearing the fees and expenses of MOOD, RST, as fund sponsor, is entitled to the profits of MOOD, if any, after all expenses of MOOD are paid.

RST may recommend that model portfolios allocate a portion of assets to MOOD, which represents a conflict of interest. Clients who receive model recommendations retain ultimate discretion to include MOOD as an asset allocation option. Furthermore, RST maintains policies and procedures to ensure that all recommendations are made in our clients' best interest, regardless of the nature of compensation accruing to RST and/or RST's Managing Member.

#### **D. Selection of Other Investment Advisers**

RST does not recommend or select other investment advisers for its clients and does not receive any compensation directly or indirectly from those advisers.

### **ITEM 11: CODE OF ETHICS, PARTICIPATION OR INTEREST IN CLIENT TRANSACTIONS AND PERSONAL TRADING**

#### **A. Code of Ethics**

All RST personnel must act in an ethical and professional manner. As required by the Investment Advisers Act, RST has adopted a Code of Ethics (the "Code") to specify and prohibit certain types of transactions deemed to create conflicts of interest (or at least the potential for or appearance of such a conflict), and to establish reporting requirements and enforcement procedures relating to personal trading by RST personnel. The Code, which specifically deals with professional standards, insider trading, personal trading, gifts and entertainment, and fiduciary duties, establishes ideals for ethical conduct based upon fundamental principles of openness, integrity, honesty, and trust. RST will provide a copy of its Code of Ethics to any client or prospective client upon request via email at [Ray@RelativeSentiment.com](mailto:Ray@RelativeSentiment.com).

#### **B. Transactions with Related Parties**

Potential conflicts of interest may exist if RST or its related persons engage in a transaction in which it buys or sells for a client, securities, in which the Firm or its personnel has a material financial interest. RST may recommend to clients that they buy or sell shares of an investment company or other investment product in which RST has some financial interest by serving as sponsor and sub-adviser to such investment company, fund, or other product.

All recommendations are in accordance with RST's fiduciary duty and subject to the strict conditions of RST's compliance program, including the Personal Trading and Code of Ethics provisions contained therein. Specifically, RST's models may recommend an allocation to MOOD. In such a scenario, RST receives sub-advisory fees based on the value of assets under management of MOOD. It is therefore a conflict of interest to recommend that clients allocate assets to MOOD. Accordingly, RST discloses the relationship with MOOD, and the fees it receives as Sub-Adviser and sponsor of MOOD. As noted above, clients who receive model recommendations retain ultimate discretion to include MOOD as an asset allocation option.

#### **C. Trading in the Same Securities as Clients**

Employees of RST may buy or sell securities and other investments that are also recommended to clients. In order to minimize this conflict of interest, our employees will place client interests ahead

of their own interests and adhere to our Firm's Code of Ethics, a copy of which is available upon request by contacting us at [Ray@RelativeSentiment.com](mailto:Ray@RelativeSentiment.com).

#### **D. Trading at the Same Time as Clients**

Any purchase or sale of a security by RST or employee will be subject to our fiduciary duty to our clients. Employees are prohibited from "front-running," that is, to buy or sell securities for their own or any client's account on the basis of their knowledge of a client's trading positions or planned trading activity.

We have a fiduciary duty to place the interests of clients ahead of our own interests. Records of security transactions by RST related persons are maintained in our books and records. To mitigate or remedy any real or perceived conflicts of interest, we monitor employee trading reports for adherence to our Code of Ethics.

### **ITEM 12: BROKERAGE PRACTICES**

#### **A. Selection and Recommendation of Broker-Dealers**

On behalf of MOOD, RST does not select, nor recommend broker-dealers for effecting trades in the Fund. Furthermore, RST is not responsible for effecting trades or recommending broker-dealers with regard to the models recommended to its clients.

RST does not engage in soft dollar or directed brokerage arrangements. RST does not receive referrals from broker-dealers.

#### **B. Trade Aggregation and Allocation**

RST has no authority to trade on behalf of its clients, including MOOD.

### **ITEM 13: REVIEW OF ACCOUNTS**

#### **A. Client Portfolio Review Process**

The day-to-day supervision of client portfolios is the responsibility of RST's Managing Member. Each client portfolio is reviewed regularly for compliance with policy, suitability of investments and investment objectives. Other factors that would trigger a more frequent review include material market events, material cash flows, or other matters.

#### **B. Intermittent Review Factors**

Although RST reviews client portfolios and models on a regular basis, there are facts and circumstances which may prompt ad hoc reviews. Significant shifts in market sentiment indicators and/or market events affecting the prices of one or more securities held, changes in investment objectives or specific arrangements with particular clients may trigger more frequent reviews of a particular client portfolio or model.

## **C. Client Reports**

MOOD investors should consult the prospectus for information related to available reports associated with an investment.

RST provides written market updates to clients on a regular basis. The Managing Member is available at any time to discuss model or portfolio construction, market views, and other factors impacting client investments.

## **ITEM 14: CLIENT REFERRALS AND OTHER COMPENSATION**

### **A. Compensation from Third Parties**

As noted above, RST is both a Sub-Adviser to and sponsor of MOOD. This creates a potential conflict of interest because RST has an incentive to increase MOOD's assets under management. One way RST may do so is to recommend MOOD as an asset allocation option within its model portfolios. All recommendations are in accordance with RST's fiduciary duty and subject to the strict conditions of our compliance program, including the Personal Trading and Code of Ethics provisions contained therein.

### **B. Compensation for Client Referrals**

RST does not pay referral fees to independent promoters to refer clients to our Firm.

## **ITEM 15: CUSTODY**

RST does not maintain custody of client assets or funds.

## **ITEM 16: INVESTMENT DISCRETION**

RST has non-discretionary authority for MOOD, as noted throughout this disclosure. The sub-advisory agreement governing its authority gives RST the authority to recommend portfolio positions and the timing of those positions to be traded (subject to restrictions set forth in the applicable sub-advisory agreement and MOOD's prospectus and statement of additional information). The trading and execution of those recommendations are conducted by MOOD's investment adviser.

RST has no trading authority over the model portfolios recommended to its clients. The Firm recommends asset allocations and portfolio holdings, along with changes thereto, to implement the asset categories but has no authority to effect trades or control when and if clients execute recommended model changes.

## **ITEM 17: VOTING CLIENT SECURITIES**

RST does not vote proxies nor provide proxy voting guidance to the adviser of MOOD, or any other client. Please contact [Ray@RelativeSentiment.com](mailto:Ray@RelativeSentiment.com) with questions.

## **ITEM 18: FINANCIAL INFORMATION**

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

RST does not require or solicit prepayment of fees six months or more in advance.

### **B. Financial Commitments**

RST does not have any financial impairment that will preclude it from meeting contractual commitments to clients.

### **C. Bankruptcy**

RST has never been the subject of a bankruptcy petition.

## **ITEM 19: REQUIREMENTS FOR STATE-REGISTERED ADVISERS**

Not applicable.