



Fairlead Strategies, LLC d/b/a: Fairlead Strategies

19 East Elm Street, Second Floor
Greenwich, CT 06830

Telephone: 203-872-6500

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FORM ADV PART 2A BROCHURE

Item 1 Cover page

This brochure provides information about the qualifications and business practices of Fairlead Strategies. If you have any questions about the contents of this brochure, contact us at 203-872-6500 or at info@fairleadstrategies.com. The information in this brochure has not been approved or verified by the United States Securities and Exchange Commission or by any state securities authority.

Additional information about Fairlead Strategies is available on the SEC's website at www.adviserinfo.sec.gov.

Fairlead Strategies is registered with the Securities Exchange Commission ("SEC") as an investment adviser. Registration with the SEC does not imply a certain level of skill or training.

Item 2 Summary of Material Changes

Form ADV Part 2 requires registered investment advisers to amend their brochure when information becomes materially inaccurate. If there are any material changes to an adviser's disclosure brochure, the adviser is required to notify you and provide you with a description of the material changes.

There have been no material changes since our last ADV filed on July 20, 2023, and December 31, 2023.

Effective March 1, 2024, Tracy Townshend has taken on the role of Chief Compliance Officer, in addition to her roles as Chief Operating Officer and Partner.

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Item 4 Advisory Business

Description of Firm

Fairlead Strategies, LLC d/b/a Fairlead Strategies ("Fairlead") is an SEC Registered Investment Adviser and is based in Greenwich, CT. We are organized as a limited liability company under the laws of the State of Connecticut. Fairlead Strategies was founded in February 2018. The principal owner of Fairlead Strategies is Katherine T. Stockton.

The following paragraphs describe our services and fees. As used in this brochure, the words "we," "our," and "us" refer to Fairlead Strategies and the words "you," "your," and "client" refer to you as either a client or prospective client of our firm.

Research Consulting and Market Timing Services

Fairlead provides three types of services:

Subscription Services

Fairlead provides technical strategy research of the global financial markets to individual (retail) and institutional investors. In general, we employ a disciplined and systematic approach to technical analysis focused on the identification of important trends, and support and resistance levels, for securities and the markets. We utilize tools to facilitate tactical market timing and positioning to complement fundamental research. Our advice focuses primarily on United States equities with a secondary focus on global equities, commodities, currencies, cryptocurrencies, and Treasury yields. Some of our research consulting services are market timing sensitive, which means our research can include recommendations for long/short strategies for specific stocks and ETFs that can be considered actionable by the client on the specific day the research is disseminated.

Our research and investment advisory services are provided by subscription. The level of service to each client will depend upon the subscription as follows:

- **Basic Plan-** (research only) Basic Plan subscribers receive a weekly research report titled **Fairlead Tactics** that covers equities, commodities, currencies, and Treasury yields. Each report includes long/short ideas derived from technical analysis for specific stocks and ETFs. They also receive a weekly report titled **Sector Deep Dive** that compiles indicator data for stocks compared against their peers, including commentary to facilitate market timing. Additionally, Basic Plan subscribers receive coverage of technical catalysts, high-conviction signals, and market internal measures via our proprietary daily report titled **Starting Line**, and high-conviction trade ideas via the **Idea Generator** approximately once a week. They also have access to quarterly market outlook conference calls and periodic "teach-ins."
- **Access Plan-** (research + team access) Access Plan subscribers receive the research contained in the Basic Plan and the **ETF Navigator**, a new weekly report providing charts and commentary regarding popular exchange traded funds. Access Plan subscribers enter into a subscription and research consulting services agreement with Fairlead Strategies to receive access to our team via an introductory call and e-mails for responsive analysis in a dynamic market environment.
- **Premium Plan-** (research + high-touch consulting) Premium Plan subscribers receive the research and services contained in the Access Plan and have the option to receive the **Cryptocurrency Compass**

weekly report, providing technical outlooks for Bitcoin and Ethereum with relative strength analysis for other cryptocurrencies. Premium Plan subscribers can engage Fairlead Strategies for custom projects that range from portfolio analysis and chartbooks to custom filters and scans. Premium Plans are designed for institutional traders and money managers who seek to identify catalysts and action items specific to their watchlists or portfolios. Clients will enter into a subscription and research consulting services agreement with Fairlead Strategies. Our team will be available for "teach-ins" to maximize and integrate the project work and provide subscribers full disclosure of our proprietary methodology.

- **A La Carte Reports-** Clients can subscribe separately to the **ETF Navigator** (weekly), **Cryptocurrency Compass** (weekly), and/or the **Idea Generator** (approximately once a week).

Educational Workshops and Seminars

We provide investment-related educational workshops and seminars. The workshops and seminars are customized to each client's request and can be designed to address specific investment strategies.

Sub-Advisory Services

Fairlead is a subadvisor to an investment company registered under the Investment Company Act of 1940. Fairlead manages an exchange traded fund ("ETF") called the Fairlead Tactical Sector ETF (TACK). This is an actively managed portfolio based on Fairlead's systematic approach to technical analysis. Fairlead will determine which of a basket of ETFs will be bought and sold. The ETFs that are used by TACK are actively traded with significant assets under management to maintain liquidity.

We believe top-down influences are very strong in the U.S. equity market, making it essential to identify trends at the market and sector level to succeed in investing. Our mathematically based tools facilitate tactical market timing and positioning on this front. In our disciplined approach to the markets, we adhere to three categories of indicators: trend-following, overbought/oversold, and relative strength. In following, Fairlead Strategies has developed a sophisticated proprietary technical model that leverages sector leadership in the U.S. equity market, while managing through downdrafts by incorporating exposure to other asset classes, including Treasuries, gold, and cash. The system is designed to leverage uptrends, while minimizing downside risk during downtrends. Katie Stockton, the fund manager, will be responsible for risk management.

Wrap Fee Programs

We do not participate in any wrap fee program.

Types of Investments

We offer advice on equity securities, REITs, ETFs, cryptocurrencies, interests in master limited partnerships ("MLPs") investing in oil and gas interests, futures contracts on tangibles, and futures contracts on intangibles.

Assets Under Management

Fairlead is a subadvisor for an ETF. As of December 31, 2023, the fund had approximately \$209,000,000 of assets under management.

Item 5 Fees and Compensation

Subscription Research Consulting and Market Timing Services

Our research consulting services fees are subscription based and are billed in advance.

Basic Plan - \$1,999 annually, or \$199 monthly, per user, billed semi-annually or monthly in advance.

Access Plan - \$3,999 annually, or \$399 monthly, per user / team (5 max per team), billed semi-annually in advance.

Premium Plan - \$12,500- \$50,000 annually per user / team (5 max per team), billed semi-annually in advance.

The subscription fee for the Premium Plan is negotiable on a case-by-case and is dependent upon the level and scope of services.

A La Carte - ETF Navigator (weekly) - \$799/year billed semi-annually or \$79/month; Cryptocurrency Compass (weekly) - \$250/year or \$25/month; Idea Generator (weekly) - \$75/year or \$9/month.

The term of the subscription agreements commences on the earlier of the Effective Date or the date upon which Products or Services were first provided to Client and continues for a period of one (1) month or one (1) year (the "Initial Term"). Upon expiration of the Initial Term, the Agreement automatically renews for additional successive one (1) month or (1) year terms unless and until either party provides notice of nonrenewal in writing at least thirty (30) days prior to the end of the then-current term (each a "Renewal Term" and together with the Initial Term, the "Term").

We will not require prepayment of a fee more than six months in advance and in excess of \$500. Fairlead Strategies Access and Premium Plan services will be performed and delivered to clients within six months. Upon termination of a subscription, Fairlead Strategies will refund to each client a pro-rated portion of the subscription fee for advisory services for the remaining period. Subscription fees for research reports cannot be refunded or pro-rated.

Educational Workshops and Seminars

Our fees for educational workshops and seminars are negotiated on a case-by-case basis depending on the complexity of the workshop or seminar, number of attendees, scope of the engagement, and required travel. On occasion, Fairlead Strategies will provide complimentary educational workshops and seminars for certain industry affiliated non-profit organizations and their members.

ETF Portfolio Management

Fairlead will receive a portion of the management fee that is paid by clients who purchase the TACK ETF. This is a conflict of interest in that the more assets under management, the higher the fee to Fairlead will be.

Other Compensation

Katie Stockton is a CNBC contributor and Ms. Stockton is paid \$500 for each appearance. In addition, Fairlead Strategies is also a content provider and provides a weekly chart and analysis and are compensated \$500 each time this information is provided to CNBC.

Additional Fees and Expenses

Fairlead Strategies' fees are exclusive of brokerage commissions, transaction fees, and other related costs and expenses which shall be incurred by the client. Clients will incur certain charges imposed by custodians, brokers, third party investment advisors and other third parties such as fees charged by managers, custodial fees, deferred sales charges, odd-lot differentials, transfer taxes, wire transfer and electronic fund fees, and other fees and taxes on brokerage accounts and securities transactions.

Mutual funds and exchange traded funds also charge internal management fees, which are disclosed in a fund's prospectus. Such charges, fees and commissions are exclusive of and in addition to the fee for advice that the client pays to Fairlead. Fairlead does not receive any portion of any of these commissions, fees, and costs paid by clients who take action on the research provided.

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

We do not accept performance-based fees or participate in side-by-side management. Performance-based fees are fees that are based on a share of a capital gains or capital appreciation of a client's account. Side-by-side management refers to the practice of managing accounts that are charged performance-based fees while at the same time managing accounts that are not charged performance-based fees. Our fees are calculated as described in the Fees and Compensation section above and are not charged on the basis of a share of capital gains upon, or capital appreciation of, the funds in any advisory account.

Item 7 Types of Clients

Fairlead has two types of clients:

Subscription Clients

We primarily offer investment advisory services to investment companies, pension plans (but not the plan participants), state or municipal government entities, private funds, and other investment advisers. We also offer services to retail and individual investors. Under some of the subscriptions, we provide consulting services.

Sub-advisory Clients

Exchange Traded Funds ("ETFs"). Fairlead will provide portfolio management services to these accounts under a written agreement. Fairlead will have the discretion to make investment decisions for its ETF clients.

We do not have a minimum asset amount to subscribe to our services. For our sub-advisory clients, we receive a portion of the management fees but do not determine the minimums, if any, for these accounts.

Media Clients

Fairlead provides media content to CNBC on an ongoing basis. The compensation is listed under the Fee section above.

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

Our Methods of Analysis and Investment Strategies

Fairlead recommends various types of securities which include stocks, ETFs, real estate investment trusts, cryptocurrencies, MLPs, and futures. The main source of information we use is price data, and at times we reference corporate activities and macroeconomic research materials prepared by others. We use the following methods of analysis or investment strategies when providing research consulting and market timing services to you:

Technical Analysis & Charting Analysis: Our research involves studying price indicators, patterns, trends, and interrelationships in the financial markets to gauge risk/reward. We strive to predict the direction, future price movements, and trends of the financial markets and specific securities. However, there is no guarantee that we will be successful and past performance is not a guarantee of future performance.

The technical tools used include trend-following indicators, overbought/oversold measures, relative strength ratios, intermarket analysis, breadth indicators, sentiment gauges, and volume. The chart types used include bar charts, candlestick charts, and volume histograms as a way to learn from historical correlations and price patterns.

Risk: The risk of a market timing strategy based on technical analysis is that our analysis does not accurately detect anomalies or predict future price movements. Similarly, our charting skills do not always help us discern a correct directional bias. Not all of our recommendations are suitable for all clients and clients are responsible for making the decision to follow our advice.

Other Risk Considerations: When evaluating risk, financial loss can be viewed differently by each client and depends on many different risks, each of which can affect the probability and magnitude of any potential losses. The following risks are not all-inclusive but should be considered carefully by a prospective client before retaining our services.

General Risk of Loss: Investing in securities involves risk of loss that clients should be prepared to bear. No investment process is free of risk; no strategy or risk management technique can guarantee returns or eliminate risk in any market environment. There is no guarantee that our investment processes will be profitable. **Past performance is not a guarantee of future performance.** The value of investments, as well as any investment income, is not guaranteed and can fluctuate based on market conditions. Diversification does not assure a profit or protect against loss.

Liquidity Risk: The risk of being unable to sell your investment at a fair price at a given time due to high volatility or lack of active liquid markets. You can receive a lower price, or it is not possible to sell the investment at all.

Credit Risk: Credit risk typically applies to debt investments such as corporate, municipal, and sovereign fixed income or bonds. A bond issuing entity can experience a credit event that could impair or erase the value of an issuer's securities held by a client.

Inflation and Interest Rate Risk: Security prices and portfolio returns will likely vary in response to changes in inflation and interest rates. Inflation causes the value of future dollars to be worth less and can reduce the purchasing power of a client's future interest payments and principal. Inflation also generally leads to higher interest rates which can cause the value of many types of fixed income investments to decline.

Horizon and Longevity Risk: The risk that your investment horizon is shortened because of an unforeseen event, for example, the loss of your job. This can force you to sell investments that you were expecting to hold for the long term. If you must sell at a time that the markets are down, you can lose money. Longevity Risk is the risk of outliving your savings. This risk is particularly relevant for people who are retired or are nearing retirement.

Epidemics, Pandemics and Market Disruption: Many countries have been susceptible to epidemics, such as severe acute respiratory syndrome, avian flu, H1N1/09 flu and, the coronavirus "Covid- 19", which the World Health Organization declared to be a pandemic. The spread of pandemics can have an adverse impact on our clients. Pandemics can affect the economy in many ways including but not limited to employment issues, supply chain issues, travel, demand for products and services as well as market fluctuations.

Fairlead is able to successfully work remotely and we do not expect that any future pandemics would effect our ability to operate.

Cybersecurity: Fairlead's information and technology systems can be vulnerable to damage or interruption from computer viruses, network failures, computer and telecommunication failures, infiltration by unauthorized persons and security breaches, usage errors by their respective professionals, power outages and catastrophic events such as fires, tornadoes, floods, hurricanes, and earthquakes. The failures of these systems or the failure of Firm's Disaster Recovery Plans for any reason could cause interruptions in the Firm's operations and result in a failure to maintain the security, confidentiality, or privacy of sensitive data, including private information relating to Clients.

Recommendation of Particular Types of Securities

We recommend various types of securities and we do not primarily 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 the investment. A description of the types of securities we recommend to you and some of their inherent risks are provided below.

Stocks: There are numerous ways of measuring the risk of equity securities (also known simply as "equities" or "stock"). In very broad terms, the value of a stock depends on the financial health of the company issuing it. However, stock prices can be affected by many other factors including, but not limited to the class of stock (for example, preferred or common); the health of the market sector of the issuing company; and the overall health of the economy. In general, larger, established companies ("large cap") tend to be safer than smaller start-up companies ("small cap"), but the mere size of an issuer is not, by itself, an indicator of the safety of the investment.

Mutual Funds and Exchange Traded Funds: Mutual funds and exchange traded funds ("ETFs") 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 and ETFs 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. ETFs differ from mutual funds since they can be bought and sold throughout the day like stock

and their price can fluctuate throughout the day. The returns on mutual funds and ETFs can be reduced by the costs to manage the funds. Also, while some mutual funds are "no load" and charge no fee to buy into, or sell out of, the fund, other types of mutual funds do charge such fees which can also reduce returns. Mutual funds can also be "closed end" or "open end". So-called "open end" mutual funds continue to allow in new investors indefinitely whereas "closed end" funds have a fixed number of shares to sell which can limit their availability to new investors.

ETFs can have tracking error risks. For example, the ETF's portfolio manager is not able to cause the ETF's performance to match that of its Underlying Index or other benchmark, which can negatively affect the ETF's performance. In addition, for leveraged and inverse ETFs that seek to track the performance of their Underlying Indices or benchmarks on a daily basis, mathematical compounding can prevent the ETF from correlating with performance of its benchmark. In addition, an ETF does not always have investment exposure to all of the securities included in its Underlying Index, or its weighting of investment exposure to such securities can vary from that of the Underlying Index. Some ETFs can invest in securities or financial instruments that are not included in the Underlying Index, but which are expected to yield similar performance.

Real Estate Investment Trust: A real estate investment trust ("REIT") is a corporate entity which invests in real estate and/or engages in real estate financing. A REIT reduces or eliminates corporate income taxes. REITs can be publicly or privately held. Public REITs can be listed on public stock exchanges. REITs are required to declare 90% of their taxable income as dividends, but they actually pay dividends out of funds from operations, so cash flow has to be strong or the REIT must either dip into reserves, borrow to pay dividends, or distribute them in stock (which causes dilution). After 2012, the IRS stopped permitting stock dividends. Most REITs must refinance or erase large balloon debts periodically. The credit markets are no longer frozen, but banks are demanding, and getting harsher terms to re-extend REIT debt. Some REITs can be forced to make secondary stock offerings to repay debt, which will lead to additional dilution of the stockholders. Fluctuations in the real estate market can affect the REIT's value and dividends.

Limited Partnerships: A limited partnership is a financial affiliation that includes at least one general partner and a number of limited partners. The partnership invests in a venture, such as real estate development or oil exploration, for financial gain. The general partner has management authority and unlimited liability. The general partner runs the business and, in the event of bankruptcy, is responsible for all debts not paid or discharged. The limited partners have no management authority, and their liability is limited to the amount of their capital commitment. Profits are divided between general and limited partners according to an arrangement formed at the creation of the partnership. The range of risks are dependent on the nature of the partnership and disclosed in the offering documents if privately placed. Publicly traded limited partnerships have similar risk attributes to equities. However, like privately placed limited partnerships their tax treatment is under a different tax regime from equities. You should speak to your tax adviser in regard to their tax treatment.

Futures: Futures are financial contracts obligating the buyer to purchase an asset (or the seller to sell an asset), such as a physical commodity or a financial instrument, at a predetermined future date and price. The primary difference between options and futures is that options give the holder the *right* to buy or sell the underlying asset at expiration, while the holder of a futures contract is *obligated* to fulfill the terms of his/her contract. Buyers and sellers in the futures market primarily enter into futures contracts to hedge risk or speculate rather than to exchange physical goods. Futures are not only for speculating. They can be used for hedging or can at times be a more efficient instrument to trade than the underlying asset.

Cryptocurrency: Cryptocurrency is a digital payment system that does not rely on banks to

verify transactions. It is a peer-to-peer system that can enable anyone anywhere to send and receive payments. Instead of being physical money that is carried around and exchanged in the real world, cryptocurrency payments exist purely as digital entries to an online database that describe specific transactions. When you transfer cryptocurrency funds, the transactions are recorded in a public ledger. You store your cryptocurrency in a digital wallet.

Item 9 Disciplinary Information

We are required to disclose the facts of any legal or disciplinary events that are material to a client's evaluation of our advisory business or the integrity of our management. We do not have any required disclosures under this item.

Item 10 Other Financial Industry Activities and Affiliations

Fairlead is the subadvisor to the Fairlead Tactical Sector ETF (TACK). The ETF is distributed by Northern Lights Distributors which is a FINRA Registered Broker Dealer. Cary Street Partners Investment Advisory LLC and Cary Street Partners Asset Management LLC are registered investment advisers. Cary Street Partners is the Adviser for the Fairlead Tactical Sector ETF (TACK). None of the entities are related and are not under common ownership or control.

- Fairlead Strategies is not registered, nor does it have an application pending to register, as a broker-dealer. No management person is registered, nor does any management person have an application pending to register, as a registered representative of a broker-dealer.
- Fairlead Strategies is not registered, nor does it have an application pending to register, as a futures commission merchant, commodity pool operator or a commodity trading advisor. No management person is registered, nor does any management person have an application pending to register, as an associated person of a futures commission merchant, commodity pool operator or a commodity trading advisor.
- Fairlead Strategies does not recommend or select other investment advisers for its clients.

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

Description of Our Code of Ethics

We strive to comply with applicable laws and regulations governing our practices. Therefore, our Code of Ethics includes guidelines for professional standards of conduct for persons associated with our firm. Our goal is to protect your interests at all times and to demonstrate our commitment to our fiduciary duties of honesty, good faith, and fair dealing with you. All persons associated with our firm are expected to adhere strictly to these guidelines. Persons associated with our firm are also required to report any violations of our Code of Ethics. Additionally, we maintain and enforce written policies reasonably designed to prevent the misuse or dissemination of material, non-public information about you or your account holdings by persons associated with our firm.

Clients or prospective clients can obtain a copy of our Code of Ethics by contacting us at the telephone number on the cover page of this brochure.

Participation or Interest in Client Transactions

Neither our firm nor any persons associated with our firm has any material financial interest in client transactions beyond the provision of investment advisory services as disclosed in this brochure.

Personal Trading Practices

Our firm or persons associated with our firm do at times buy or sell the same securities that we recommend to you or securities in which you are already invested. The firm may also buy or sell the same securities in our role as a subadvisor to ETFs. A conflict of interest exists in such cases because we have the ability to trade ahead of you and potentially receive more favorable prices than you will receive. To mitigate this conflict of interest, it is our policy to disclose all securities featured in our research in which our firm or its management persons have a financial interest.

Item 12 Brokerage Practices

We do not maintain relationships, nor will we act as purchasing agent with any broker-dealers or custodian for the purposes of executing transactions on your behalf. You are free to choose any broker-dealer or other service provider as your custodian.

Research and Other Soft Dollar Benefits

We do not have any soft dollar arrangements for which we pay for research or receive economic benefits from broker-dealers. As disclosed in the *Fees and Compensation* section above, as a provider of research, we can receive compensation from certain institutional clients and/or hedge funds in the form of "soft dollars" from their associated broker-dealers. We also receive payment for our services from broker dealers on behalf of our clients from whom they receive commissions, known as a "soft dollar" arrangement. Our ETF partner may at times pay a third-party marketing company to promote Fairlead.

Brokerage for Client Referrals

We do not receive client referrals from broker-dealers in exchange for cash or other compensation, such as brokerage services or research.

Block Trades

We do not provide portfolio management services on behalf of subscription clients. Fairlead does provide portfolio management services for ETFs and the advisor placing the trades may on occasion block trade for those accounts to ensure that all receive an equitable price.

Item 13 Review of Accounts

Fairlead Strategies does not monitor its subscription clients' activities and does not provide portfolio management to those clients. We do not conduct account reviews to ensure the research consulting services provided to you are consistent with your investment needs and objectives.

Our research and investment advisory services are provided by subscription. The level of service to each client will depend upon the subscription as follows:

- **Basic Plan-** (research only) Basic Plan subscribers receive a weekly research report titled **Fairlead Tactics** that covers equities, commodities, currencies, and Treasury yields. Each report includes long/short ideas derived from technical analysis for specific stocks and ETFs. They also receive a

weekly report titled **Sector Deep Dive** that compiles indicator data for stocks compared against their peers, including commentary to facilitate market timing. Additionally, Basic Plan subscribers receive coverage of technical catalysts, high-conviction signals, and market internal measures via our proprietary daily report titled **Starting Line** and high-conviction trade ideas via the **Idea Generator** approximately once a week. They also have access to quarterly market outlook conference calls and periodic “teach-ins.”

- **Access Plan-** (research + team access) Access Plan subscribers receive the research contained in the Basic Plan and the **EFT Navigator**, a new weekly report providing charts and commentary regarding popular exchange traded funds. Access Plan subscribers enter into a subscription and research consulting services agreement with Fairlead Strategies to receive access to our team via an introductory call and e-mails for responsive analysis in a dynamic market environment.
- **Premium Plan-** (research + high-touch consulting) Premium Plan subscribers receive the services contained in the Access Plan and have the option to receive the **Cryptocurrency Compass** weekly report providing technical outlooks for Bitcoin and Ethereum with relative strength analysis for other cryptos. Premium Plan subscribers can engage Fairlead Strategies for custom projects that range from portfolio analysis and chartbooks to custom filters and scans. Premium Plans are designed for institutional traders and money managers who seek to identify catalysts and action items specific to their watchlists or portfolios. Clients will enter into a subscription and research consulting services agreement with Fairlead Strategies. Our team will be available for “teach-ins” to maximize and integrate the project work and provide subscribers full disclosure of our proprietary methodology.
- **A La Carte Reports-** Clients can subscribe separately to the **ETF Navigator** (weekly) **Cryptocurrency Compass** (weekly) and/ or the **Idea Generator** (weekly).

Fairlead does monitor its supervisory ETF-related accounts on a regular basis. They will be rebalanced monthly and will be monitored closely during volatile markets.

Item 14 Client Referrals and Other Compensation

As noted above, we do receive a portion of the management fees for our sub-advisory accounts. We also receive soft dollars from clients directed brokerage trades.

Item 15 Custody

We do not have custody over our clients' funds or securities. We do not provide portfolio management services for our clients. All client assets are held with a bank, broker-dealer, or other qualified custodian.

Item 16 Investment Discretion

Fairlead does not have authority to exercise investment discretion on behalf of subscription clients. Fairlead does have investment discretion for the ETFs that it actively provides portfolio management services.

Item 17 Voting Client Securities

We do not open advisory accounts or provide portfolio management services for our Subscription clients, and therefore we will not vote proxies on behalf of our clients. If you own shares of applicable securities, you are responsible for exercising your right to vote as a shareholder. In most cases, you will receive proxy materials directly from the account custodian. We do provide portfolio management services for our sub-advisory clients, but we do not vote proxies for those clients.

Item 18 Financial Information

Our firm does not have any financial condition or impairment that would prevent us from meeting our contractual commitments to you. We do not take physical custody of client funds or securities, or serve as trustee or signatory for client accounts, and we do not require the prepayment of more than \$500 in fees six or more months in advance. Therefore, we are not required to include a financial statement with this brochure.

We have not filed a bankruptcy petition at any time in the past ten years.

*****NOTICE TO MASSACHUSETTS CLIENTS*****

A disciplinary history of the Registrant or its representatives, if any, can be obtained by calling the Massachusetts Securities Division at (617) 727-3548. An Investment Advisor is forbidden from sharing any information about a Massachusetts client, which qualifies as private, unless the client specifically agrees thereto or "opts in" [see CMR 12.205(9)(c)13]