

Item 1 – Cover Page



**Form ADV Part 2A Firm Brochure**

**Primary Office Location:**

7400 Baymeadows Way,  
Suite 300  
Jacksonville, Florida 32256  
[www.tactivewealth.com](http://www.tactivewealth.com)  
855-282-2848

March 28, 2024

This Brochure provides information about the qualifications and business practices of Tactive Advisors, LLC. If you have any questions about the contents of this Brochure, please contact us at 855-282-2848. 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.

Tactive Advisors, LLC. is a registered investment adviser (herein “Tactive”). Registration as an investment adviser does not imply any level of skill or training. The oral and written communications of an adviser provide you with information from which you determine whether to hire or retain an Adviser.

Additional information about Tactive is also available on the SEC’s website at [www.adviserinfo.sec.gov](http://www.adviserinfo.sec.gov).

## **Item 2 – Material Changes**

This is an Other Than Annual amendment to the brochure, changes made to the last annual filing dated March 23, 2023. Material changes are those that effect the policies, practices and or conflicts of interest.

### Other Than Annual amendments:

Tactive has amended services and added risks and method of analysis associated with certain securities. (Items 4 and 8)

### Annual Updated Material Changes:

Tactive has moved its primary offices to a new location in the state of Florida. (Items 1 and 4)

Tactive has added additional services. (Item 4)

Tactive will no longer be a dba for Strategy Marketplace, LLC, instead will be using Tactive Advisors, LLC as its Legal name for registration and business purposes.

.

### **Item 3 - Table of Contents**

Item 1 – Cover Page	i
Item 2 – Material Changes	ii
Item 3 - Table of Contents	iii
Item 4 – Advisory Business	4
Item 5 – Fees and Compensation	6
Item 6 – Performance-Based Fees and Side-By-Side Management	8
Item 7 – Types of Clients	8
Item 8 – Methods of Analysis, Investment Strategies and Risk of Loss	8
Item 9 – Disciplinary Information	13
Item 10 – Other Financial Industry Activities and Affiliations	13
Item 11 – Code of Ethics	13
Item 12 – Brokerage Practices	14
Item 13 – Review of Accounts	15
Item 14 – Client Referrals and Other Compensation	16
Item 15 – Custody	16
Item 16 – Investment Discretion	17
Item 17 – Voting Client Securities	17
Item 18 – Financial Information	17

#### **Item 4 – Advisory Business**

Tactive. (CRD # 309311), was originally a “dba” under Strategy Marketplace, LLC, but has chosen to use the name Tactive Wealth, LLC as the official firm’s name. Tactive is registered as an investment adviser with the Securities and Exchange Commission and is organized as a Limited Liability Corporation under the laws of the State of Delaware. The firm has been in business since 2020.

Tactive’s principal office and place of business is located at 7400 Baymeadows Way, Suite 300, Jacksonville, Florida 32256. The firm can be contacted by phone at 855-282-2848.

Tactive provides two types of portfolio management services to individuals and businesses. These services include the Tactive Robo-Advisor (TRA), and the Advisor Advice service.

TRA uses responses from a client’s goals and risk assessment that is completed by the client before investing begins. The TRA uses the client’s responses to assess which financial models are needed to create an investment portfolio for the client. Based upon the models needed, a structured portfolio strategy is created for the client and then the clients’ assets will be invested within the structured portfolio strategy. All trading is handled by Tactive, not Artificial Intelligence (AI).

Clients can also engage with the firm's registered investment advisory representatives for traditional advisory services. Clients will open a custodian account, and an investment advisory agreement will be completed. In these cases where clients are not within the TRA platform, the client will complete the risk tolerance questionnaire and the advisor will place them in the appropriate strategy based upon their answers.

The firm currently offers a Basic Package (which includes initial setup and basic strategy access to the TRA platform), and an Advisor Advice Package (which either includes the Basic Package and annual calls with an available Tactive adviser and guidance on outside assets or investment advisory services outside of the use of TRA).

Although Tactive generally has full discretionary authority to manage client portfolios, services are tailored to the individual needs of each client, and clients may impose restrictions related to the management of their account.

Additionally, Tactive may also provide complimentary or fixed fee financial planning services to investment management clients as needed or requested.

#### **Sub-advisors:**

Tactive may also retain sub-advisors or third-party managers to assist with managing portfolios if you need or are seeking a specific type of investment management or strategy. Sub-advisors provide investment allocations and securities selection and may execute securities transactions in your accounts pursuant to the agreement between Tactive and the subadvisor. This relationship will be fully disclosed with those sub-advisors in your IMA.

Certain sub-advisors use ETFs and or mutual funds in Client portfolios to which they are manager or sub-advisor. In these cases, the selection of these investments creates conflicts of interest for the sub-advisor. The sub-advisors disclose conflicts of interests including their selection of such investments, in their Form ADV 2. We advise you in establishing investment objectives, and work with the sub-advisors to ensure an appropriate investment strategy for you. You are provided the sub-advisor's Form ADV Part 2, to understand their business.

### **Turnkey Asset Management Platform (TAMPs):**

Under the TAMP, Tactive serves as sub-advisor to the client-facing investment adviser. Based upon the information and the models available in the TAMP, the client facing investment adviser develops a basic plan to allocate client assets and selects one of more of the Tactive model portfolios. The TAMP is a collection of model portfolios made available to investment professionals through a single platform. The goal of the TAMP is to make investing client assets more streamlined and efficient. For example, if a client wants to invest with five different model portfolios, instead of opening five separate accounts, one direct in each model portfolio, the client can open one unified account through the TAMP and hold all of the five model portfolios within one account.

### **Written Acknowledgement of Fiduciary Status**

When we provide investment advice to you regarding your retirement plan account or individual retirement account, we are fiduciaries within the meaning of Title 1 of the Employee Retirement Income Act (ERISA) and the Internal Revenue Code, as applicable, which are laws governing retirement accounts. The way we make money creates some conflicts with your interests, so we operate under a special rule that requires us to act in your best interest and not put our interest ahead of yours. Under this special rule's provisions, we must:

- Meet a professional standard of care when making investment recommendations (give prudent advice);
- Never put our financial interests ahead of yours when making recommendations (give loyal advice);
- Avoid misleading statements about conflicts of interest, fees, and investments;
- Follow policies and procedures designed to ensure that we give advice that is in your best interest;
- Charge no more than a level fee that is reasonable for our services; and
- Give you basic information about conflicts of interest.

### **Assets Under Management:**

As of December 31, 2023, Tactive currently has \$381,465,898 in discretionary assets under management and \$24,342,000 in non-discretionary assets under

### **Item 5 – Fees and Compensation Portfolio Management Services:**

Tactive's standard fee schedule for Advisory Advice is as follows:

Account Balance	Annual Fee
\$0.00 - \$499,999	1.50%
\$500,000 - \$999,999	1.25 %
\$1,000,000 - \$1,999,999	1.15 %
\$2,000,000 - \$2,999,999	1.00%
\$3,000,000 - \$3,999,999	0.90%
\$4,000,000 - \$4,999,999	0.85%
\$5,000,000 - \$5,999,999	0.80%
\$6,000,000 - \$6,999,999	0.75%
\$7,000,000 - \$7,999,999	0.70%
\$8,000,000 - \$8,999,999	0.65%
\$9,000,000 - \$9,999,999	0.60%
\$10,000,000 - \$10,999,999	0.55%
\$11,000,000 - \$11,999,999	0.50%
\$12,000,000 - \$12,999,999	0.45%
\$13,000,000 - \$13,999,999	0.40%
\$14,000,000 - \$14,999,999	0.35%
\$15,000,000 +	0.30%

### **Robo-Advisory Services:**

Tactive Package that include the Tactive Robo-Advisor (TRA) fees are as follows:

	<b>TRA</b>	<b>Advisor Advice Package</b>
Annual Fee	0.750%	1.50 - .30% (see table above)
Min Balance	\$500.00	\$500.00

Advisor Advice Package is portfolio management.

The fee charged by Tactive will be calculated and paid monthly in arrears. The TRA service, the fee will be charged by Tactive, and if the client engages in the Advisor Advice Package, a fee will be assessed for the services. Tactive may also charge an additional fixed fee for financial planning services. Tactive's fees are charged according to the schedules above. The total fee that a client will be charged will be defined within the investment advisory contract(s).

Fees are calculated using an average of the daily balance in the Client's account throughout the billing period for purposes of determining the market value of the assets upon which the advisory fee is based. Should a client open an account in the middle of a billing period, the

firm's investment management fee will be prorated based upon the number of days the account was open. In the event that a client terminates mid-month, the number of days the account was managed during the month until termination is used to determine the percentage of the investment management fee earned (based on the total number of days in that month).

### **Sub-Adviser and TAMP Fees:**

Sub-Adviser fees are typically excluded as part of the overall fees assessed by Tactive. Typically, upon receiving the client approval as part of the Investment Advisory Agreement, Tactive will debit the entirety of the Tactive and the Sub-Adviser's fees directly from the Client's account(s). Tactive will then remit the Sub-Adviser a portion of the total advisory fee to the Sub-Adviser on a monthly basis. Some Sub-Advisers may be granted authority to deduct Sub-Adviser fees directly from the custodian account, for which the Sub-Adviser is managing assets.

TAMP fees are paid through a strategist fee based on the AUM held by the third party that is using the TAMP for trading, these are non-discretionary accounts to Tactive.

Fees are generally deducted directly from client accounts on a monthly basis in arrears, but clients may elect to alternatively pay fees by check or wire transfer. The fees charged by Tactive will generally include outside management fees but will not include other expenses such as trading costs and expenses charged by mutual funds in which Client's funds may be invested. Additional information about brokerage practices may be found in Item 12 below.

Clients will enter into a written advisory contract with Tactive at the time the firm is retained. The Contract may be terminated by the client immediately upon notice during the first five (5) business days from the date of execution without penalty.

Thereafter, the contract may be terminated by either party upon thirty (30) days written notice.

Tactive may amend its fee schedules at any time by giving thirty (30) days advanced written notice to clients. Although Tactive believes its fees are competitive, clients should be aware that lower fees for comparable services may be available from other sources.

### **Institutional Advisory Services**

Tactive fees to institutional clients for advisory services are determined on a case-by-case basis based on the level and type of service provided. Fees are generally either asset-based or structured as a fee split arrangement. Fees are generally paid monthly or quarterly directly by the client and may be due in advance or in arrears depending on the engagement.

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

Tactive does not charge performance-based fees (fees based on a share of capital gains on or capital appreciation of the assets of a client).

## **Item 7 – Types of Clients**

Tactive provides its services to individuals, trusts and estates, businesses, and employee benefit plans.

Tactive also provides its services to institutional investors and other advisor managed portfolios, either directly or based upon a third party's agreement.

Tactive imposes a minimum account value of \$500 on accounts, although the firm reserves the right to waive minimum requirements.

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

### **Methods of Analysis and Investment Strategies:**

Tactive uses The Black-Litterman asset allocation model to build and construct their Tactive blended model portfolios. Created by Fischer Black and Robert Litterman, Black-Litterman is a sophisticated portfolio construction method that overcomes the problem of unintuitive, highly-concentrated portfolios, input-sensitivity, and estimation error maximization. These three related and well-documented problems with mean-variance optimization are the most likely reasons that more practitioners do not use the Markowitz paradigm, in which return is maximized for a given level of risk. The Black-Litterman model uses a Bayesian approach to combine the subjective views of an investor regarding the expected returns of one or more assets with the market equilibrium vector of expected returns (the prior distribution) to form a new, mixed estimate of expected returns. The resulting new vector of returns (the posterior distribution) leads to intuitive portfolios with sensible portfolio weights.

In order to build the Tactive blended models, Tactive will generally combine various outside investment strategies using the Black Litterman Model approach. These are generally tactical asset allocation strategies but can also be other types of investment strategies as needed to fulfill a missing asset class.

Tactive's generally uses tactical asset allocation as its primary investment strategy. A tactical asset allocation strategy is an active management strategy that rebalances the percentage of assets held in various categories in order to take advantage of market pricing opportunities and strong market sectors.

To implement this strategy, we generally buy, hold and sell various mutual funds, stocks and Exchange Traded Funds (ETFs). Occasionally, we may also invest in "short" positions, which increase in value as markets go down. Either way, we typically use no-load mutual funds primarily in mutual fund families which offer "exchange" privileges. Such privileges permit redemption proceeds to be exchanged between shares of the mutual fund family's money



market fund and equity funds.

We may also retain third-party managers or sub-advisors to implement certain strategies. Unless exempt from registration, these advisers are required as we are to be registered as an investment adviser in all applicable jurisdictions, and we will review and confirm registration status before recommending or using such other managers. In addition, these advisers are also required to be authorized to conduct business in all applicable state jurisdictions.

Clients should understand that the investment strategy used by advisor will necessitate purchases and redemptions of mutual fund shares in the client's accounts on an ongoing basis. Mutual fund shares will be sold, in many cases, within thirty (30) days of purchase.

The client will typically authorize Tactive to instruct the client's custodian or the mutual fund company to make exchanges between designated funds. The timing of such exchanges will be determined by us to our sole discretion. We make no guarantees, promises, or warranties as to the accuracy of our tactical asset allocation model or that the service to be rendered hereunder will result in a profit to a client. In addition, we may use a number of funds to manage client accounts. Although every effort will be made to enter or exit fund positions in a fund for all client accounts on the same day, there is no guarantee that this can be accomplished in every instance.

Tactical asset allocation models are dependent upon identifying trends in market activity. We attempt to identify markets in which the client should be "in the market" or invested in equity mutual funds that may increase in value. We also attempt to identify times of anticipated market decline or anticipated sideways movement markets in which the client should be "out of the market" and invested only in a money market fund. Sometimes we are vulnerable to taking losing positions during sideways or choppy markets where, judged in hindsight, there was no trend to follow. While we believe our tactical asset allocation model will produce positive results, there can be no assurance or guarantee that past performance will again produce positive results in future markets. In addition, outside forces, including government action or inaction, disruptions of the financial markets, electronic communication difficulties, and the inability or refusal of intermediaries to perform as requested, as well as other factors, may unfavorably impact performance. We reserve the right to adjust our model from time to time if market conditions warrant. Such adjustments may or may not produce positive results. Mutual funds have different investment policies that range from aggressive to conservative, depending on whether the fund is designed to return high yields, to perform at market averages or to avoid losses in declining markets. A fund's strategy, if properly executed, should result in a higher or a lower return over time. Clients are urged to review with care the prospectus of each fund to determine the degree of risk they will assume.

### **Risk of Loss:**

Investing in securities involves risk of loss that clients should be prepared to bear. No investment strategy can assure a profit or avoid a loss. Tactive and its sub- adviser's

investment strategies and recommendations are subject to various market, currency, economic, political, and business risks, and such investment decisions are not always profitable. Clients should be aware that their loss or depreciation to the value to client's accounts can occur. There can be no assurance that the client's investment objectives will be obtained and no inference to the contrary should be made.

There are certain additional risks associated with the securities recommended and strategies used by Tactive including, among others.

### **Methods of Analysis and Investment Strategy Risks:**

**Fundamental Analysis Risk:** involves the examination of quantitative and qualitative factors in understanding securities and using those factors to forecast expected future performance. The risks assumed are that information obtained may be incorrect or incomplete, unexpected events may arise, and/or other factors could result in an inaccurate forecast of the investment return and/or risk of an asset class, mutual fund, stock or bond.

**Modern Portfolio Theory Risk:** assumes that investors are risk averse, meaning that given two portfolios that offer the same expected return, investors will prefer the less risky one. Thus, an investor will take on increased risk only if compensated by higher expected returns. Conversely, an investor who wants higher expected returns must accept more risk. The exact trade-off will be the same for all investors, but different investors will evaluate the trade-off differently based on individual risk aversion characteristics. The implication is that a rational investor will not invest in a portfolio if a second portfolio exists with a more favorable risk-adjusted return profile - i.e., if for that level of risk an alternative portfolio exists which has better expected returns. Modern Portfolio Theory takes into account expected returns, risks and correlations of individual asset classes. If these assumptions prove to be incorrect, then the chosen target asset allocation may not prove to be the most attractive option from a risk-adjusted return perspective.

**Technical Analysis Risk:** relies on proper interpretation of a given security's price and trading volume data. A decision might be made based on a historical move in a certain direction that was accompanied by heavy volume; however, that heavy volume may only be heavy relative to past volume for the security in question, but not compared to the future trading volume. Therefore, there is the risk of a trading decision being made incorrectly since future trading volume is an unknown. Technical analysis is also done through observation of various market sentiment readings, many of which are quantitative. Market sentiment gauges the relative degree of bullishness and bearishness in a given security, and a contrarian investor utilizes such sentiment advantageously. When most traders are bullish, then there are very few traders left in a position to buy security in question, so it becomes advantageous to sell it ahead of the crowd. When most traders are bearish, then there are very few traders left in a position to sell the security in question, so it becomes advantageous to buy it ahead of the crowd. The risk in utilization of such sentiment technical measures is that a very bullish reading can always become more bullish, resulting in lost opportunity if the money manager chooses to act upon the bullish signal by selling out of a

position. The reverse is also true in that a bearish reading of sentiment can always become more bearish, which may result in a premature purchase of a security.

**Long-Term Trading Risk:** is designed to capture market rates of both return and risk. Due to its nature, the long-term investment strategy can expose clients to various types of risk that will typically surface at various intervals during the time the client owns the investments. These risks include but are not limited to inflation (purchasing power) risk, interest rate risk, economic risk, market risk, and political/regulatory risk.

**Short-Term Trading Risk:** Includes liquidity, economic stability, and inflation, in addition to the long-term trading risks listed above. Frequent trading can affect investment performance, particularly through increased brokerage and other transaction costs and taxes.

**Option Trading Risk:** Writing risks include market volatility around individual security prices. Options on securities may be subject to greater fluctuations in value than investing in the underlying securities. Purchasing and writing put or call options are highly specialized activities and involve greater than ordinary investment risk.

**Option buying:** This is a basic options strategy where investors buy a call or put option with the hope that the price of the underlying stock will move far enough to cover the premium paid for the option.

**Option writing:** Investors can sell options in order to obtain additional income from premiums paid by the option buyer. Option writing is often associated with the investment strategy known as covered call writing. Covered calls limit the upside of a stock holding.

**Uncovered Options and Spreading Strategies:** Uncovered options trading can be riskier than writing covered call options. The potential loss is theoretically unlimited. An option spread involves combining two different option strikes as part of a limited risk strategy.

### **Securities Risks:**

**Market Risk:** Either the stock market as a whole, or the value of an individual company, goes down resulting in a decrease in the value of Client investments. This is also referred to as systemic risk.

**Sector Risk:** The chance that significant problems will affect a particular sector, or that returns from that sector will trail returns from the overall stock market. Daily fluctuations in specific market sectors are often more extreme than fluctuations in the overall market

**Non-Diversification Risk:** The risk of focusing investments in a small number of issuers, industries or foreign currencies, including being more susceptible to risks associated with a single economic, political or regulatory occurrence than a more diversified portfolio might be.

**Equity (stock) Market Risk:** Common stocks are susceptible to general stock market fluctuations and to volatile increases and decreases in value as market confidence in and perceptions of their issuers change. If Client held common stock, or common stock equivalents, of any given issuer, Client would generally be exposed to greater risk than if Client held preferred stocks and debt obligations of the issuer.

**Fixed Income Risk:** When investing in bonds, there is the risk that the issuer will default on the bond and be unable to make payments. Further, individuals who depend on set amounts of periodically paid income face the risk that inflation will erode their spending power. Fixed-income investors receive set, regular payments that face the same inflation risk.

**Interest Rate Risk:** The chance that prices of fixed income securities will decline because of rising interest rates. Similarly, the income from fixed-income securities may decline because of falling interest rates.

**Reinvestment Risk:** The risk that interest and principal payments from a bond will be reinvested at a lower yield than that received on the original bond. During periods of declining interest rates, bond payments may be invested at lower rates; during periods of rising rates, bond payments may be invested at higher rates.

**Management Risk:** Client's investment with the Firm varies with the success and failure of our investment strategies, research, analysis, and determination of portfolio securities. If our investment strategies do not produce the expected returns, the value of the investment will decrease.

**Opportunity Cost Risk:** The risk that an investor may forego profits or returns from other investments.

**Mutual Funds Risk:** Investing in mutual funds carries the risk of capital loss and thus Clients may lose money investing in mutual funds. The net asset value of a mutual fund may fluctuate over time in response to the changes in price of the underlying investments. All mutual funds have costs that lower investment returns. The funds can be of bond "fixed income" nature or stock "equity" nature.

**Exchange Traded Funds (ETFs) and Exchange Traded Notes (ETN) Risk:** While the prospectus for each underlying ETF or ETN contains detailed descriptions of the risks associated with these investments, in particular, they include the potential for: (1) tracking error (in which the ETF/ETN does not accurately track its index as a result of factors such as transaction fees and expenses, or changes in the composition of the underlying index); (2) pricing error (in which the ETF/ETN trades at a discount or premium to its inherent net asset value); (3) liquidity risk (which may occur if an ETF/ETN fails to attract a sufficient number of market makers); and (4) counterparty risk specific to ETNs (a risk regarding the creditworthiness of a party that assists in the replication of the underlying index).

An ETF is an investment fund traded on stock exchanges. Investing in ETFs carries the risk

of capital loss similar to mutual funds. The net asset value of an ETF may fluctuate over time in response to the changes in price of the underlying investments as well. All ETFs have costs that lower investment returns. ETF's can be of bond "fixed-income" nature or stock "equity" nature. Unlike mutual funds, the market price of an ETF may vary from the net asset value due to market conditions for the ETF security as well as liquidity of the underlying securities. When investing in an ETF or mutual fund, Clients will bear additional expenses based on your pro-rata share of the ETF's or mutual fund's operating expenses, including the potential duplication of management fees.

An ETN is an unsecured debt security that tracks an underlying index of securities. ETNs are similar to bonds but do not pay periodic interest payments. ETNs pay a lump sum when they mature, but also have drawbacks like liquidity and credit risk.

**Leveraged and Inverse Exchange Traded Funds** typically are designed to achieve their stated performance objectives on a daily basis. Some investors might invest in these ETFs with the expectation that the ETFs may meet their stated daily performance objectives over the long term as well. Investors should be aware that performance of these ETFs over a longer period than one day can differ significantly from their stated daily performance objectives and may potentially expose investors to significant losses.

**Leverage/Margin Risk:** The use of borrowed capital, such as margin, to increase the potential return of an investment may increase the risk of an investment and can magnify the effect of any losses. The use of leverage is a speculative technique and may not be suitable for all investors. Using borrowed money (whether through trading on margin or any other method of borrowing) to finance the purchase of securities involves interest charges and entails greater risk than using cash resources only.

**Options Risk:** Below are some of the main risks associated with investing in options:

When writing covered call options to produce income for a client's account, there may be times when the underlying stock is "called" (call option contract exercised or assigned) by the investor that purchased the call option. That means the client would be required to sell the underlying security at the exercise (pre-determined) price to that investor

Clients may be required to open a margin account in order to invest in options, which carries additional risks (see above for details) and could result in margin interest costs to the client.

Option positions may be adversely affected by company specific issues (the issuer of the underlying security) which may include but are not limited to bankruptcy, insolvency, failing to file with regulatory bodies, being delisted, having trading halted or suspended, corporate reorganizations, asset sales, spin offs, stock splits, mergers and acquisitions. In addition, market-related actions, political issues, and economic issues may adversely affect the option market. These factors could restrict, halt, suspend, or terminate option positions written (sold) or purchased.

Changes in value of the option may not correlate with the underlying security, and the account could lose more than principle amount invested.

Options involve risk and are not suitable for all clients. Therefore, a client should read the option disclosure document, "Characteristics and Risks of Standardized Options", which can be obtained from any exchange on which options are traded, at [www.optionsclearing.com](http://www.optionsclearing.com), or by calling 1-888- OPTIONS, or by contacting your broker/custodian.

### **Item 9 – Disciplinary Information**

Registered investment advisers are required to disclose all material facts regarding any legal or disciplinary events that would be material to the evaluation of Tactive or the integrity of the firm's management.

Tactive is currently not subject to, nor has ever been subject to, any other legal or disciplinary events of a material nature.

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

Tactive is not affiliated with other financial industry activities.

### **Item 11 – Code of Ethics**

Tactive has adopted a Code of Ethics expressing the firm's commitment to ethical conduct. The firm's Code of Ethics describes the firm's fiduciary duties and responsibilities to clients, and practices for reviewing the personal securities transactions of supervised persons with access to client information. The Code also requires compliance with applicable securities laws, addresses insider trading, and covers possible disciplinary measures for violations. The firm will provide a complete copy of its Code of Ethics to any client upon request to the Chief Compliance Officer.

### **Trading Conflicts of Interest**

Individuals associated with Tactive are permitted to buy or sell securities for their personal accounts identical to or different than those recommended to clients.

However, no person is allowed to favor his or her own interest over that of a client or make personal investment decisions based on the investment decisions of advisory clients.

In order to address potential conflicts of interest, the firm retains records of employee personal securities activities.

### **Item 12 – Brokerage Practices**

The firm does not maintain possession of client assets. Instead, we require all client assets be maintained in an account at a nonaffiliated "qualified custodian", generally a broker dealer or bank that we require. Although the firm cannot actually open accounts for you, we can assist you in opening an account. Not all advisors required their clients to use a specific custodian/broker.

When recommending brokers or custodians for its clients, Tactive considers many different factors including quality of service, services offered, execution quality, transaction costs, reputation of the firm, financial resources, and stability, among others. In determining the reasonableness of a broker's compensation, we consider the overall cost to you relative to the benefits you receive, both directly and indirectly, from the broker.

### **Your Brokerage and Custody Costs:**

Our clients receive various services directly from our custodian. For our clients' accounts that our custodian maintains, the custodian generally does not charge separately for custody services but instead is compensated by charging commissions or other fees on trades that it executes or trades that are executed by other brokers to and from the custodial accounts. Fees applicable to our client accounts were negotiated based on the condition that a certain level of assets is maintained. We feel this commitment benefits you because we expect the overall rates you pay will be lower than they might be otherwise.

Since our custodians charge you a fee for each trade that we have executed by a different broker-dealer, we have the custodian execute most trades for your account in order to minimize your trading costs.

We have determined that having the custodian execute most trades is consistent with our duty to seek "best execution" of your trades. Best execution means seeking the most favorable terms for a transaction based on all relevant factors, including those listed above.

### **Products and Services Available to Us from Brokers/Custodians:**

Our custodians provide us and our clients with access to its institutional brokerage services like trading, custody, reporting, and related services, many of which are not typically available to retail customers. Our custodians also make available various support services, some of which may help us manage or administer our clients' accounts, while others may help us manage and grow our business.

Our custodians' institutional brokerage services which benefit you directly include access to a broad range of investment products, execution of securities transactions, and asset custody. The investment products available through our custodian include some to which we might not otherwise have access or that would require a significantly higher minimum initial investment by our clients.

Our custodian also makes available to us other products and services that benefit us but may not directly benefit you or your account. These products and services assist us in managing and administering our clients' accounts. They include investment research, both the custodian's own and that of third parties. We may use this research to service all or a substantial number of our clients' accounts, including accounts not maintained at the custodian. In addition to investment research, the custodian also makes available software and other technology that provide access to client account data, facilitates trade execution for multiple client accounts, provides pricing and other market data, facilitates payment of our fees from our clients' accounts, and assists with back-office functions, recordkeeping, and client reporting. Our custodians also offer other services intended to help us manage and further develop our business. These services include educational conferences and events, consulting on technology, compliance, legal, and business needs, publications and conferences on practice management and business succession, and access to employee benefits providers, human capital consultants, and insurance providers.

The availability of these services from our custodian benefits us because we do not have to produce or purchase them. Of course, this may give us an incentive to recommend that you maintain your account with our custodian based on our interests rather than yours, which is a potential conflict of interest. We believe, however, that our selection of our custodians is in the best interests of our clients, and is primarily supported by the scope, quality, and price of our custodians' services and not those services that benefit only us.

### **Aggregation of Transactions:**

Occasionally, Tactive may aggregate trades in order to facilitate more efficient management. When trading a particular security in a block, an average price is given to all participants in the block.

### **Item 13 – Review of Accounts**

Accounts held by Tactive may be reviewed as necessary on an ongoing basis.

All Accounts will undergo a suitability and performance review, quarterly but no less than annually. A suitability review to assess if the portfolio is still in line with the client's most recent risk and goal objectives. A performance review to assess if the client's portfolio is in line with the returns associated with the models the client is presently invested within.

All TRA only client accounts will be reviewed periodically but not less than annually.

Client accounts that are individually managed by an investment adviser representative will be reviewed no less than annually and more often as needed when securities are purchased or sold and if the client's objectives have changed. All account reviews will be monitored by the firm's Chief Compliance Officer by notifying all advisors of their annual responsibilities.

Additional account reviews may be triggered by a specific client request, by a change in client goals or objectives, by an imbalance in a portfolio asset allocation, or by market or economic conditions.

Clients are provided with account statements from their custodian on at least a quarterly basis which list account holdings, transactions, and fees for the period. Clients will also have access to their accounts information through a client portal located on the Website.

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

Tactive does not receive any economic benefits, sales awards, or other compensation from outside parties in connection with providing advisory services to clients.

Tactive may enter into written agreements with certain individuals and entities, who will act as Promoters of accounts for in accordance with the requirements of state solicitor or federal promoter rules. For example, clients whose accounts are referred in this manner will be provided certain disclosures that will set forth the fee to be paid by the firm to the



Promoter.

The firm does not currently receive compensation from third-party investment managers in the form of referral fees. The receipt of these fees could give us an incentive to make recommendations based on our interests rather than yours, which is a potential conflict of interest. If a client were to be introduced to a third-party investment adviser by us acting as a solicitor/promoter, we shall disclose the nature of the referral relationship and provide each prospective client with a copy of a written solicitor's disclosure statement disclosing the terms and conditions of the arrangement between us (the solicitor) and the third-party investment manager.

### **Item 15 – Custody**

As noted above, the firm does not hold client funds but instead requires that they be held by a third-party “qualified custodian.” We may however have limited control (i.e.; a form of custody) in some instances to trade on your behalf, to deduct our advisory fees from your account with your authorization, or to request disbursements on your behalf (although various types of written authorizations are required depending on the type of disbursements). When deducting advisory fees, we are required to obtain written authorization from the applicable client and are required to notify applicable regulatory authorities that the firm has fee deduction authority. We will assist clients in establishing with custodians. When suggesting brokers or custodians to clients, we consider factors including the service they provide, their execution quality, the reasonableness of commissions or other charges compared to comparable parties, their reputation, integrity, experience, and their financial stability.

You will receive account statements directly from your custodian at least quarterly, which will list any fee deductions and will be sent to the email or postal mailing address you provide. We urge you to carefully review these custodial statements when you receive them.

### **Item 16 – Investment Discretion**

Clients typically grant Tactive the authority to determine what securities will be purchased, retained, or sold in the client's account. Any discretionary authority accepted however is subject to the client's risk profile and investment objectives and may be limited by any other limitations provided by the client in writing.

Tactive will not exercise any discretionary authority until it has been given authority to do so in writing. Such authority is granted in the written agreement between the Firm and the client, and in the written agreement with the third-party custodian.

### **Item 17 – Voting Client Securities**

Tactive does not vote proxies on behalf of clients. Clients may however contact the firm with questions about proxies they receive from their custodian.

## **Item 18 – Financial Information**

Tactive does not require or solicit prepayment of more than \$1,200 in fees per client, six months or more in advance and therefore is not required to provide a balance sheet. Tactive does not have any financial commitments that impair its ability to meet contractual and fiduciary obligations to clients and is not subject to a bankruptcy proceeding.