

# Columbus Macro, LLC

## Firm Brochure - Form ADV Part 2A

*This brochure provides information about the qualifications and business practices of Columbus Macro, LLC. If you have any questions about the contents of this brochure, please contact us at (480) 275-4474 or by email [info@ColumbusMacro.com](mailto:info@ColumbusMacro.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 Columbus Macro, LLC is also available on the SEC's website at [www.adviserinfo.sec.gov](http://www.adviserinfo.sec.gov). Columbus Macro, LLC's CRD number is: 286374.*

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*Registration does not imply a certain level of skill or training.*

Brochure Date : 07/17/2019

## Item 2: Material Changes

Columbus Macro, LLC (hereinafter "Columbus Macro") is required to identify and discuss any material changes made to its Brochure since the last update. The following changes were made since the last annual amendment:

- On August 1, 2019, Columbus Macro acquired from Rayliant Asset Management LLC a series of three new investment strategies, Fusion Strategies, and hired Scott Dooley, the portfolio manager responsible for them. To reflect these additions, the following items in this Brochure have been updated:
  - Item 5: Fees & Compensation – Information was added to this section to reflect the fact that fees for the Fusion Strategies have historically been calculated differently than other Columbus Macro accounts. Specifically, fees for these strategies were calculated using the weighted average net assets under management of each client's account. Certain accounts were billed in advance while others were billed in arrears. Columbus Macro intends to honor these fee structures for existing clients of the Fusion strategies that sign new investment advisory agreements with the firm.
  - Item 8: Methods of Analysis, Investment Strategies, & Risk of Loss – This section was updated to include the Fusion Strategies. The methods of analysis and risks for the Fusion Strategies are the same as the risks outlined for other Columbus Macro strategies.
  - Item 10: Other Financial Industry Activities & Affiliations – Mr. Dooley has other financial industry affiliations. These activities and the potential conflicts associated with them are discussed in Item 10.
  - Item 12: Brokerage Practices – Fidelity Investments was added as one of the Qualified Custodians that Columbus Macro may recommend.
- On August 1, 2019, Columbus Macro moved its primary office location from Scottsdale, Arizona to Hermitage, PA. The new address is:

3580 Innovation Way  
Suite 107  
Hermitage, PA 16148

The Firm will retain an office in Scottsdale as a secondary office.

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## **Item 4: Advisory Business**

### **A. Description of the Advisory Firm**

Columbus Macro, LLC (hereinafter “Columbus Macro”) is a Limited Liability Company organized in the State of Delaware. The firm was formed in October 2016, and the principal owner is Craig Edward Columbus.

### **B. Types of Advisory Services**

Columbus Macro, LLC is a registered investment advisor that provides discretionary and non-discretionary asset management services. Discretionary programs authorize Columbus Macro to make all investment decisions without seeking the client’s prior written approval. Columbus Macro’s investment advisory services are made available through the following arrangements.

#### Sub-Advisory

Our strategies are offered through sub-advisory or investment management agreements with unaffiliated broker-dealers, financial institutions, and registered investment advisors (third-party advisors). The sponsors of these programs offer our strategies as part of their investment management programs, and terms are memorialized in contracts between Columbus Macro and the program sponsor.

As part of our sub-advisory relationships Columbus Macro strategies are available on Cetera Financial Group’s Wealth Management Platform, the Schwab Advisor Services™ Managed Account (Managed Account Marketplace®), TD Ameritrade’s Separate Account Exchange (SAE), and Mid Atlantic’s Portfolio Solutions (MAPS) where financial advisors may recommend our pre-defined investment strategies as part of their comprehensive client financial planning process.

Sponsors of these programs may select a “platform manager” who operates the technology platform on which their investment management programs function. In these cases, the platform manager is responsible for execution services. In other instances, Columbus Macro performs the trade execution function. In all situations, Columbus Macro does not maintain custody of accounts.

#### Model Provider

Columbus Macro also participates in certain SMA/UMA programs as a model provider for select strategies, in which Columbus Macro provides security holdings and percentage weightings, including cash, in the form of model portfolios. Columbus Macro sends updated model portfolios when changes are made to its portfolio holdings and weights.

Examples include agreements with Envestnet Asset Management Inc. which acts as both program sponsor and platform manager for other registered investment advisors.

For both sub-advisory and model delivery arrangements, Columbus Macro selects the securities to be bought or sold in each strategy and manages the holdings on an ongoing basis. These securities include but are not limited to mutual funds, exchange-traded funds (ETF), closed-end funds (CEFs), American Depositary Receipts (ADRs), equity and fixed-income instruments, options, and structured notes. A percentage of the account may also be allocated to a third-party asset manager.

Individual client's open a separate account, designate Columbus Macro to be the money manager, and select the desired Columbus Macro investment strategy in consultation with their investment advisor.

Columbus Macro communicates primarily through the program sponsor's employees or registered advisors. The program sponsors are responsible for the approval of Columbus Macro strategies for use by their registered advisors and entering into relationships with qualified custodians.

The investment advisor representatives (IAR) are responsible for selecting the appropriate Columbus Macro strategy for use by their clients, communicating client instructions, and monitoring and evaluating performance of Columbus Macro. Columbus Macro will rely on that IAR to analyze their client's goals and needs when recommending a strategy that we manage. The IAR will collect suitability information and work with the client to determine which investment strategy is most appropriate for their client.

#### Direct Advisory

Institutional clients including states, counties, municipalities, and unions as well as endowments, foundations, hospitals, and universities as well as high net worth families can enter into an investment advisory agreement with Columbus Macro for customized asset management services. Columbus Macro does not provide many of the consulting and advisory services typically provided by financial advisors, such as financial planning, insurance services, and estate planning. Our principal responsibility under this arrangement is to manage client assets on a discretionary basis. In this capacity we initiate and execute transactions through the independent custodian that holds the client's assets. We rely on the client to furnish us with current and accurate information regarding their investment portfolio and financial situation, including their return objectives, risk tolerance level, tax status, investment time frame and unique circumstances which may include instructions to restrict certain securities not to be held within the client's account. Columbus Macro then creates and manages a suggested investment portfolio. In limited circumstances, we may provide the same direct advisory services to "friends and family" at a discounted fee arrangement.

## **C. Client Tailored Services and Client Imposed Restrictions**

Columbus Macro offers customized portfolio solutions for high net worth families and institutional clients. These programs incorporate client's unique needs, goals, and restrictions in a personalized, holistic framework.

However, the majority of our management is through pre-defined strategies. While clients within the same investment product are managed similarly, these clients are free to impose reasonable restrictions that would preclude us from investing their assets in certain securities or sectors. However, if the restrictions prevent Columbus Macro from properly servicing the client account, or if the restrictions would require Columbus Macro to deviate from its standard suite of services, Columbus Macro reserves the right to reject the restriction or end the relationship.

## **D. Wrap Fee Programs**

Columbus Macro acts as a sub-advisor (portfolio manager) to a number of wrap fee programs offered by wrap program sponsors.

These wrap fee programs are arrangements in which investment advisory services, brokerage execution services and custody are provided by a sponsor (wrap program sponsor) for a single predetermined wrap fee (regardless of the number of trades executed by a client). Generally, clients participating in a wrap fee program pay this single, all-inclusive fee quarterly in advance to the program sponsor, based on the net assets under management. Columbus Macro receives from the wrap program sponsor a portion of the wrap fee for the portfolio management services it provides. Columbus Macro manages the investments in the wrap fee program but does not manage those wrap fee accounts any differently than non-wrap fee accounts.

Columbus Macro does not sponsor any wrap-fee programs.

## **E. Assets Under Management & Assets Under Advisement**

As of December 31, 2018, Columbus Macro's manages client assets in the amount of \$492,580,743. All of these assets under management (AUM) are discretionary.

Additionally, Columbus Macro has \$5,409,085 thousand in assets under advisement (AUA) as of December 31, 2018. Our assets under advisement are either discretionary or non-discretionary assets. In the cases where platform managers do not provide us with sufficient client-level detail, we count these discretionary assets as AUA for regulatory reporting purposes.

## Item 5: Fees and Compensation

### A. Fee Schedule

Fees for asset management services provided by Columbus Macro vary depending on the level and type of service provided. These fees are generally based on the account strategy and value of assets being managed and the annual fee typically ranges from:

| Services        | Annual Fee     |
|-----------------|----------------|
| Sub-Advisory    | 0.05% to 0.45% |
| Model Provider  | 0.40% to 0.50% |
| Direct Advisory | 0.25% to 1.00% |

Columbus Macro acts as a sub-advisor to unaffiliated program sponsors. The sub-advisory fees that we receive are negotiated between us and the program sponsors and may vary for each relationship and strategy. The fees charged will not exceed any limit imposed by any regulatory agency. The notice of termination requirement and payment of fees for sub-advisor services will depend on the specific program sponsors engaging Columbus Macro as its sub-advisor. Both the program sponsor fee and the manager's portion are calculated using the value of the assets in the account on the last business day of the prior billing period.

For certain sub-advised programs (Managed Wealth ADVANTAGE, Portfolio Advisory Services, and Digital Advice Platform) Columbus Macro receives fixed annual fees from the program sponsor for model development and maintenance which are not related to the level of client assets in those programs. Clients of the sponsoring firm are not assessed a separate charge for Columbus Macro services.

Columbus Macro also participates in certain SMA/UMA programs as a model provider for select strategies, in which Columbus Macro provides model portfolios. Generally, clients participating in these programs pay a single, all-inclusive wrap fee quarterly in advance to the program sponsor, based on the asset value of their account. Columbus Macro receives from the wrap program sponsor a portion of the quarterly wrap fee for the model provider services it provides.

Institutional and high net worth clients enter into an investment advisory agreement with Columbus Macro for customized asset management services which specifies the fee arrangement. Columbus Macro does not provide many of the consulting and advisory services typically provided by financial advisors, such as financial planning, insurance services, and estate planning. Fees assessed for direct advisory are typically higher than sub-advisory due to the fact that clients are not represented by a separate financial advisor. Therefore, Columbus Macro provides a higher level of client interaction, communication, customization, and advice.



## **B. Payment of Fees**

### ***Payment of Portfolio Management Fees***

In most sub-advisory cases, asset-based fees are withdrawn on a quarterly basis from clients' accounts by the program sponsor. From this fee collected, the sponsor firm then is responsible for paying Columbus Macro its advisory fee. Fees are paid in advance.

Columbus Macro receives a quarterly model provider fee for the upcoming quarter from the program sponsor based on the market value (as of the close of the last day of the previous quarter) of the client portfolios invested in Columbus Macro models. This payment is paid in arrears within forty-five (45) days following the end of the quarter.

For direct advisory accounts and certain sub-advisory relationships, Columbus Macro notifies the custodian of the fee amount for each account shortly after the beginning of each quarter. The custodian then debits the fees from the client accounts and deposits the funds into a designated Columbus Macro account held at the custodian. Fees are paid in advance.

Fees for the Fusion Strategies have historically been calculated using the weighted average net assets (securities, cash, cash equivalents) under management ("net assets") of each client's account for the prior quarter. Certain accounts were billed in advance while others were billed in arrears. In some cases, fees were debited from the client's account (provided debiting is authorized in writing by the client), on a date not later than the tenth (10<sup>th</sup>) business day of the quarter. In other cases, clients have provided payment after receipt of management fee invoice. Columbus Macro intends to honor these fee structures for existing clients of the Fusion Strategies that sign new investment advisory agreements with the firm.

## **C. Client Responsibility for Third Party Fees**

Columbus Macro fees are exclusive of charges imposed by program sponsors, platform managers, custodians, broker/dealers, financial advisors, third-party investment consultants, and other third parties who may assess custodial fees, consulting fees, administrative fees, and transfer agency fees. Investment activity may also involve brokerage commissions, transaction fees, exchange fees, SEC fees, service provider fees, odd-lot differentials, transfer taxes, wire transfer and electronic fund fees, and other fees and taxes on brokerage accounts and securities transactions. Transaction charges may vary based on a variety of factors including but not limited to the instrument transacted (i.e. mutual fund, stock, or exchange-traded fund) and the sponsors negotiated custodial relationship.

Clients within wrap fee programs are charged a single fee assessed by the program sponsor which covers the third-party fees listed above. Clients not participating in wrap

fee programs may be assessed these fees individually. When NTF (non-transaction fee) securities are traded, this transaction charge will not apply.

Columbus Macro may invest a client's assets in exchange-traded funds, mutual funds (including money market funds or similar short-term investment funds) or other pooled investment vehicles sponsored by third parties. To the extent that a client's assets are invested in other pooled vehicles, clients will pay management or other fees in addition to the fees paid by the client to Columbus Macro. Those fees are described in each pooled vehicle's offering documents (e.g., prospectus or offering memorandum).

#### **D. Prepayment of Fees**

Program sponsors and financial advisors who utilize Columbus Macro services, as well as Columbus Macro itself, collect fees in advance. Upon account termination, refunds for Columbus Macro asset management fees paid in advance will be returned per the prevailing client agreement. The fee refunded will be equal to the balance of the fees collected in advance minus the daily rate\* times the number of days elapsed in the billing period up to and including the day of termination.

\*(The daily rate is calculated by dividing the annual asset-based fee rate by 365.)

#### **E. Outside Compensation for the Sale of Securities to Clients**

Neither Columbus Macro nor its supervised persons accept any compensation for the sale of investment products, including asset-based sales charges or service fees from the sale of mutual funds.

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

Columbus Macro does not accept performance-based fees or other fees based on a share of capital gains on or capital appreciation of the assets of a client.

### **Item 7: Types of Clients**

Columbus Macro provides asset management services through sub-advisory or investment management agreements with unaffiliated broker-dealers, financial institutions, platform sponsors, and registered investment advisors (third-party advisors), or direct contract to a wide variety of clients including, but not limited to individuals, trusts, foundations, endowments, estates, institutional clients, state and municipal government entities, pension and profit-sharing plans, and corporations. Columbus Macro offers services with a variety of account minimums.

Typically, our minimums account sizes are:

| Services        | Minimum Account Size  |
|-----------------|---|
| Sub-Advisory    | \$25,000 - \$500,000 depending on the program<br>(Digital Advice Program offers a minimum of \$1,000) |
| Model Provider  | \$100,000 standalone SMA<br>\$40,000 UMA sleeve   |
| Direct Advisory | \$5,000,000   |

In direct advisory account relationships, Columbus Macro may waive minimum account size at our sole discretion.

## Item 8: Methods of Analysis, Investment Strategies, & Risk of Loss

### A. Methods of Analysis and Investment Strategies

#### *Methods of Analysis*

Our method of analysis stems from our philosophies of risk management and an active approach that is guided by the multi-disciplinarian portfolio management team. Our portfolio managers have diverse backgrounds with highly specialized expertise in quantitative modeling, global macro analysis, politics, technical analysis, derivatives, and forensic accounting. Thus, our method of analysis draws from these tools but may vary based on the specific strategy and objective. For broader asset allocation strategies, we primarily take a top-down view of the world to determine areas to invest and areas to avoid. This analysis includes:

For stock selection strategies, we typically start with a forensic accounting filter used to identify potential accounting red flags. We then analyze the financial statements and other publicly available information to evaluate the Firm relative to its peers. Technical analysis may be used to determine entry triggers, or good times to purchase the security. Our macro analysis can lead to sector or style over-investment (in relation to our strategy's optimal allocation) as well as relative risk targets.

**Charting analysis** involves the use of patterns in performance charts. Columbus Macro uses this technique to search for patterns used to help predict favorable conditions for buying and/or selling a security.

**Economic and Cyclical analysis** involves the analysis of business cycles and real economy data to find favorable conditions for buying and/or selling a security.

**Fundamental analysis** involves the analysis of financial statements, the general financial health of companies, and/or the analysis of management or competitive advantages.

**Modern portfolio theory** is a theory of investment that attempts to maximize portfolio expected return for a given amount of portfolio risk, or equivalently minimize risk for a given level of expected return, each by carefully choosing the proportions of various assets.

**Quantitative analysis** deals with measurable factors as distinguished from qualitative considerations such as the character of management or the state of employee morale, such as the value of assets, the cost of capital, historical projections of sales, and so on.

**Sentiment and behavioral analysis** involve the overall attitude of specific types of investors toward a particular security or financial market.

**Technical analysis** involves the analysis of past market data; primarily price and volume.

### ***Investment Strategies***

Certain of the strategies that we manage were historically offered under different names through different program sponsors, but the underlying strategies are the same. Not all program sponsors elect to offer all of the strategies listed below.

#### **1. Strategic and Dynamic Global Portfolios**

We provide a spectrum of strategic and dynamic (core plus satellite) asset allocation portfolios across five traditional risk tolerance profiles – Conservative, Balanced, Moderate, Growth, and Aggressive. Each portfolio has a broad equity/fixed income asset allocation based on risk tolerance level.

These portfolios are based on certain key principles. First, we believe that diversified portfolios provide a prudent approach to achieving long-term investment goals. Second, we believe that many different investment strategies can be valuable if implemented in a consistent, disciplined manner.

- **Columbus Macro Strategic Global ETF** are professionally-managed total portfolio solutions. We construct a globally-diversified strategic core portfolio comprised of traditional and alternative asset classes. Strategic Global portfolios are designed to realize the compounding and tax efficiency benefits of diversified, global core holdings built for long-term market cycles. Our systematic investment process considers the ongoing influence of key macro factors on asset class returns, volatilities, and correlations. These influences span multiple time frames. Unlike static, fixed allocation mix strategies, our diversified strategic core weights are adjusted based on changes in fundamental valuation for each asset class (longer-term) and the state of the economy/corporate profits (intermediate term). Rebalancing decisions consider the materiality of changes versus trading and tax considerations.

Advisors and clients can choose their preferred asset allocation vehicle with both ETF-only and mutual fund-only versions available for use. Once implemented,

core asset class holdings, as well as their interactions, are actively monitored to ensure portfolios remain consistent with clients' risk and return preferences. The strategies utilize exchange-traded funds (ETFs) to gain asset class exposure. These strategies may hold different securities or instruments to obtain similar exposure across different custodians

- **Columbus Macro Strategic Global MF** follows the same methodology and risk objectives as Columbus Macro Strategic Global ETF. The only distinction is that this portfolio utilizes mutual funds rather than ETFs to gain asset class exposure.
- **Columbus Macro Dynamic Global Portfolios** are professionally managed total portfolio solutions that combine a globally-diversified strategic core with targeted use of tactical satellite strategies. In our opinion, active asset allocation offers investors the best of both worlds by seeking to enhance long-term strategic allocations through disciplined adjustments. Our systematic investment process considers the ongoing influence of key macro factors on asset class returns, volatilities, and correlations. These influences span multiple time frames.

Our diversified strategic core weights are adjusted based on changes in fundamental valuation for each asset class (longer-term) and the state of the economy/corporate profits (intermediate term). Core rebalancing decisions consider the materiality of changes versus trading and tax considerations. A satellite portfolio is also used to gauge investor sentiment (shorter term) and determine when it is appropriate to broadly emphasize offense (pursue opportunities) or defense (provide protection). This component enables more granular implementation of themes at the sector, industry, or country levels. Active satellite allocations are designed to complement long-term strategic core positions and seek to enhance risk management capabilities during down-trending markets.

Dynamic Global portfolios are also available in a format for tax-aware investors. Traditional and alternative asset classes are used. Since correlation between asset classes often increases during crises, we also engage in robust stress-testing, formulating extreme downside risk targets for each client objective. Portfolio construction is accomplished via tax- and cost-efficient exchange-traded funds (ETFs) along with rigorously screened mutual funds that are used to gain specialized portfolio exposures. Once implemented, overall core and satellite asset class holdings, as well as their interactions, are actively monitored to ensure portfolios remain consistent with clients' risk and return preferences.

2. **The Columbus Macro Global Income - Yield Select** is a balanced, growth and income strategy focused on gaining flexible exposure to the major global income-generating asset classes. The strategy seeks to provide current income and long-term capital appreciation with active risk management to actively navigate the complexity of a low interest rate world.

Yield is sourced from a variety of instruments including exchange-traded funds (ETFs) and mutual funds as well as individual U.S.-listed stocks. A robust process is

employed for selecting dividend-paying U.S. stocks that meet rigorous, industry-specific earnings quality metrics for balance sheet strength and operating efficiency. This analysis is aimed at gauging the sustainability of dividend income streams. Market risk and interest rate sensitivity are also carefully assessed as part of an active risk management framework. Equity and credit risk can be increased or decreased in response to changing market environments. Given the active nature of this approach, the strategy does not target a specific yield. The income-focused attributes of the strategy, however, will generally result in a significantly higher yield than a typical balanced allocation. This strategy may hold different securities or instruments to obtain similar exposure across different custodians.

3. **Columbus Macro Satellite Risk Managed U.S. Equity** provides targeted satellite exposure to the U.S. equity asset class. Risk Managed U.S. Equity seeks to outperform the S&P 500 Index over a complete market cycle with a bias toward downside risk management. Because of its risk management capabilities, the strategy is designed to complement long-only core equity holdings. Individual securities are selected following a growth at a reasonable price (GARP) approach, using rigorous methods for forensic analysis of financial statements in conjunction with peer comparisons. We employ a proprietary quantitative model to rank stocks at the sector and sub-sector level based on valuation, earnings quality, and fundamental metrics. Sector exposure is carefully monitored for concentration risk and adjusted to facilitate further diversification.

Overall market exposure can be tilted using exchange-traded funds (ETFs) and mutual funds which move inversely to the U.S. equity market and thereby respond to changing market conditions. By virtue of the flexibility to tactically hedge some portion of the portfolio, the strategy offers financial intermediaries a way to maintain exposure to the U.S. equity market while potentially stepping down the risk spectrum

4. **Columbus Macro Satellite Liquid Alternatives** seeks to generate consistent risk-adjusted returns over a variety of market cycles through the use of a variety of alternative investments. The strategy is intended to complement traditional assets that make up a strategic core portfolio by introducing an additional level of diversification and risk management to dampen overall volatility. It provides broad exposure to alternative asset classes that have historically demonstrated low correlations with stocks and bonds during periods of market stress.

Our strategy relies exclusively on alternative instruments that offer daily liquidity allowing the strategy to be readily adjusted in response to current market risks and opportunities. This enables us to employ active management of alternative asset classes. Alternative mutual funds and exchange-traded funds (ETFs) offer greater transparency, reduced fee structures, and low investment minimums compared to traditional illiquid alternative investment vehicles. Potential asset class exposures may include managed futures, long/short, master limited partnerships (MLPs), and merger arbitrage. This strategy may hold different securities or instruments to obtain similar exposure across different custodians.

5. **Columbus Macro Satellite Tactical** is a flexible, go-anywhere ETF strategy that utilizes a disciplined process to increase or decrease exposure in response to changing market risk environments. It is designed to complement a long-term, diversified, strategic core portfolio. Since our Satellite Tactical strategy seeks to adapt to both up and down markets, it can also be used as a risk management overlay for financial intermediaries who construct portfolios using their own asset allocation approach. The strategy relies on shorter-term proprietary sentiment, technical and valuation indicators to gauge market and asset class trend and determine when it is appropriate to broadly emphasize offense (pursue opportunities) or defense (provide protection). In either environment, the Satellite Tactical can employ a more granular implementation of themes at the sector, industry, or country level than broader core allocations. Generally, 10-20 positions are opportunistically held at any point in time with an emphasis on being more exposed to global equities when our tactical model is bullish and more defensive when conditions favor a "risk-off" environment. This strategy may hold different securities or instruments to obtain similar exposure across different custodians.
6. **Former Fusion Tactical Strategies** are models focused on dynamically selecting the appropriate ETFs and including alternative asset classes such as REITS and commodities to the portfolio for inflation protection and greater diversification. The Fusion Tactical strategies use a proprietary, quantitative-based multi-factor model that integrates both long-term fundamental analysis and short-term tactical/behavioral analysis techniques and applies them to opportunities throughout the globe. This approach also incorporates an in-depth review of macroeconomic conditions across the world, with a focus on economic indicators, business cycle, and industry/sector trends both domestically and internationally.
- **Columbus Macro Global Tactical Equity** (formerly Global Fusion Core Equity) is a fully invested actively managed equity strategy based on a market-weighted allocation process.
  - **Columbus Macro Global Tactical Bond** (formerly Global Fusion Total Return) is a fully invested actively managed fixed income strategy based on a market weighted allocation process.
7. **Former Fusion Short-term Income Strategy**
- **Columbus Macro Short-term Government Bond** (formerly Fusion Short-Term Government Bond) is an actively managed short-term fixed income strategy that invests in high quality, investment grade U.S. Government bonds, agencies and municipal securities.

Columbus Macro clients may use one or more of these strategies and blend them in a customized manner based on their investment objectives.

For direct advisory relationships, Columbus Macro offers a customized Unified Managed Account (UMAs) solution which may include the strategies listed above. UMAs combine client's assets into a single account or household (group of accounts) and may hold multiple investment strategies as well as other investment products such as mutual funds, exchange-traded funds, individual stocks, bonds, CEFs, or structured notes.

Additionally, Columbus Macro provides investment models or customized investment management to the following Cetera-sponsored investment programs:

1. **Managed Wealth ADVANTAGE® (MWA) and Guided Program** allow advisors of the program sponsor to customize portfolios based on individual client goals, risk tolerance and time horizon while providing a diversified and professionally managed portfolio. MWA and Guided Program offer clients a set of asset allocation models constructed based on risk profiles. Columbus Macro has been contracted as sub-advisor to design and manage the asset allocation models on an ongoing basis. Advisors determine their client's risk tolerance, and then select the appropriate asset allocation model. For each model, advisors have a lineup of asset classes, each containing a diverse choice of mutual funds and ETFs from multiple investment companies determined by the program sponsor. Advisors pick the mutual funds and ETFs from this list to build their client's MWA or Guided Program account.
2. **Portfolio Advisory Services** is a fee-based investment program which offers a wide range of asset allocation portfolios strategically built to help program sponsor clients capture market returns and achieve their long-term investment goals. The program features a highly diversified investment approach, which uses a belief system based on Nobel Prize-winning financial concepts and low-cost institutional asset-class mutual funds provided primarily by Dimensional Fund Advisors. Columbus Macro has been contracted to assist the program sponsor in program management including design, implementation, and tax optimization overlay. Additionally, Columbus Macro communicates regularly with the program sponsor and their registered investment advisors regarding market outlook, investment management decisions, and strategy performance.
3. **Digital Program.** The sponsor's online digital advice program assists clients in performing assessment of their risk tolerance and goals. This platform combines a low-cost, low-minimum investment solution with robust planning and savings tools. Columbus Macro has been contracted to provide the asset allocation models (ranging from aggressive to conservative) from which clients can choose.
4. **401(k) Select Program** is divided into two distinct types of services: Single Asset Class Fund (SACF) selection and portfolio management of a company-sponsored 401(k) plan account (Professionally Managed Portfolio (PMP)). The retirement plan's trustee works with us to establish the SACF selection for his company's retirement plan.

The program sponsor contracts with us to establish a list of mutual funds for Trustees to make available to their plan's participants, the trustee then allows plan participants to create their own portfolios. Plan participants also have the option of choosing the PMP option. By choosing the PMP option, participants are opting to have their company-sponsored retirement plan account managed by us. The PMP option allows plan participants to choose from five different asset allocation models (portfolios): Conservative, Balanced, Moderate, Growth, and Aggressive. Each of these models is



actively managed by us. Our management style for each asset allocation model provides broad diversification across most major asset classes through the purchase of a basket of selected mutual funds. The portfolios include a consistent allocation to stocks, bonds, and alternative assets.

5. **Private Client Services (PCS) Program** is designed to provide high-net-worth clients access to Unified Managed Accounts (UMAs) which combine client's assets into a single account or household (group of accounts). UMAs typically hold multiple investment strategies in the same custodial account, as well as other investment products such as mutual funds, exchange-traded funds, individual stocks, bonds, or structured notes.

The program sponsor has determined that PCS is open to clients that invest at least \$500,000 in the strategy. The PCS strategy establishes a portfolio that will invest in an array of stocks, bonds, ETFs, CEFs, mutual funds, and/or other securities directly or through strategies managed by other third-party managers. In addition, certain option and/or structured product strategies may also be utilized, which have unique risk profiles. Included below is a discussion of the primary risks associated with these investment strategies, although it is not possible to identify all the risk associated with investing and particular risks applicable to individual clients. Risk associated will depend on the nature of the account, its investment strategy(ies), and types of securities held.

This strategy has exposure to interest-rate risk, as changes in interest rates will affect the price of bond positions held by the strategy. Closed-end funds (CEF) may have investment objectives other than matching a particular market index, may have a tendency to trade below net asset value, and are subject to liquidity risk. CEFs are subject to risks similar to those of stocks. Options involve risk and are not suitable for all investors. Option trading can be speculative in nature and carry substantial risk of loss. In addition to the risk of the underlying security going up or down, options are very time sensitive investments. Typically, options are used to attempt to provide some downside buffer and reduce equity correlation. This usually results in some protection against loss in exchange for limited participation in gains. Prior to buying or selling an option (or investing in this strategy), the program sponsor must furnish their clients with a copy of the Characteristics and Risks of Standardized Options (ODD).

Structured products are securities whose cash flow and/or value are based on a single or basket of stocks, indices, commodities, and/or foreign currencies. Structured products are constructed as a debt security issued by investment banks or their affiliates, but rather than paying a straight fixed or floating coupon, these instruments' interest payments are tailored to a myriad of possible indices or rates. They have a fixed maturity and generally are made up of two components: a note and an option. Rates of return vary and are generally paid at maturity, along with the face amount of the investment, subject to the credit risk of the issuer.

Purchasing structured products involves a number of risks, and is not suitable for all investors. It is suggested that investors carefully consider, with input from their financial, accounting and tax advisors, whether they wish to restrict our ability to purchase structured products in their PCS portfolio. Structured products can include many of the same risks inherent with options trading. Risks associated with structured products will be unique to each specific issue, but may include credit and default risks, limited FDIC protection, liquidity risks, market and opportunity risks, derivative risks, commodity price risks, currency and exchange risks, tax risks.

## **B. Material Risks Involved**

### *Methods of Analysis*

Market movements are difficult to predict and are influenced by, among other things, government trade, fiscal, monetary and exchange control programs and policies; changing supply and demand relationships; national and international political and economic events; changes in interest rates; and the inherent volatility of the marketplace. In addition, governments from time to time intervene, directly and by regulation, in certain markets, often with the intent to influence prices directly. The effects of governmental intervention may be particularly significant at certain times in the financial instrument and currency markets, and such intervention (as well as other factors) may cause these markets and related investments to move rapidly

**Charting analysis** strategy involves using and comparing various charts to predict long and short-term performance or market trends. The risk involved in using this method is that only past performance data is considered without using other methods to crosscheck data. Using charting analysis without other methods of analysis would be making the assumption that past performance will be indicative of future performance. This may not be the case.

**Economic and Cyclical analysis** assumes that the markets react in cyclical patterns which, once identified, can be leveraged to provide performance. The risks with this strategy are three-fold: 1) the markets do not always repeat cyclical patterns; and 2) if too many investors begin to implement this strategy, then it changes the very cycles these investors are trying to exploit; 3) economic data may be distorted by seasonal influences, one-off events, or collection errors.

**Fundamental analysis** concentrates on factors that determine a company's value and expected future earnings. This strategy would normally encourage equity purchases in stocks that are undervalued or priced below their perceived value. The risk assumed is that the market will fail to reach expectations of perceived value.

**Modern portfolio theory** 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-expected return profile – i.e., if for that level of risk an alternative portfolio exists which has better expected returns.

**Quantitative analysis** - Investment strategies using quantitative models may perform differently than expected as a result of, among other things, the factors used in the models, the weight placed on each factor, changes from the factors' historical trends, and technical issues in the construction and implementation of the models.

**Sentiment analysis** may be skewed by investor behavioral factors that make these signals unreliable or a contrarian indicator. In addition, the timing of these signals may be inconsistent with market price action.

**Technical analysis** attempts to predict a future stock price or direction based on market trends. The assumption is that the market follows discernible patterns and if these patterns can be identified then a prediction can be made. The risk is that markets do not always follow patterns and relying solely on this method may not take into account new patterns that emerge over time.

### *Investment Strategies*

**Long-term trading** 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** risks include 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.

**Investing in securities involves a risk of loss that clients should be prepared to bear.**

## **C. Risks of Specific Securities Utilized**

Clients should be aware that there is a material risk of loss using any investment strategy. The investment types listed below are not guaranteed or insured by the FDIC or any other government agency.

**Mutual Funds:** Investing in mutual funds carries the risk of capital loss and thus clients may lose money investing in mutual funds. All mutual funds have costs that lower investment returns. The funds can be of bond “fixed income” nature (lower risk) or stock “equity” nature.

**Equity** investment generally refers to buying shares of stocks in return for receiving a future payment of dividends and/or capital gains if the value of the stock increases. The value of equity securities may fluctuate in response to specific situations for each company, industry conditions and the general economic environments.

**Fixed income** investments generally pay a return on a fixed schedule, though the amount of the payments can vary. This type of investment can include corporate and government debt securities, leveraged loans, high yield, and investment grade debt and structured products, such as mortgage and other asset-backed securities, although individual bonds may be the best known type of fixed income security. In general, the fixed income market is volatile and fixed income securities carry interest rate risk. (As interest rates rise, bond prices usually fall, and vice versa. This effect is usually more pronounced for longer-term securities.) Fixed income securities also carry inflation risk, liquidity risk, call risk, and credit and default risks for both issuers and counterparties. The risk of default on treasury inflation protected/inflation linked bonds is dependent upon the U.S. Treasury defaulting (extremely unlikely); however, they carry a potential risk of losing share price value, albeit rather minimal. Risks of investing in foreign fixed income securities also include the general risk of non-U.S. investing described below.

**Exchange-Traded Funds (ETFs):** An ETF is an investment fund traded on stock exchanges, similar to stocks. Investing in ETFs carries the risk of capital loss (sometimes up to a 100% loss in the case of a stock holding bankruptcy). Areas of concern include the lack of transparency in products and increasing complexity, conflicts of interest and the possibility of inadequate regulatory compliance. Precious Metal ETFs (e.g., Gold, Silver, or Palladium Bullion backed “electronic shares” not physical metal) specifically may be negatively impacted by several unique factors, among them (1) large sales by the official sector which own a significant portion of aggregate world holdings in gold and other precious metals, (2) a significant increase in hedging activities by producers of gold or other precious metals, (3) a significant change in the attitude of speculators and investors.

ETFs are typically designed to track the performance of certain indices, market sectors, or groups of assets such as stocks, bonds, or commodities. ETF managers may use different strategies to achieve this goal, but in general they do not have the discretion to take defensive positions in declining markets. Investors must be prepared to bear the risk of loss and volatility associated with the underlying index/assets. Tracking errors may also result. This refers to the disparity in performance between an ETF and its underlying index/assets. Tracking errors can arise due to factors such as the impact of transaction fees and expenses incurred to the ETF, changes in composition of the underlying index/assets, and the ETF manager’s replication strategy. An ETF also may be traded at a discount or premium to its Net Asset Value (NAV). This price discrepancy is caused by supply and demand factors, and may be particularly likely to emerge during periods of high market volatility and uncertainty.

ETFs may also be subject to foreign exchange risk or liquidity risk. ETFs with underlying assets that are not denominated in United States dollars are also exposed to exchange rate risk. Currency rate fluctuations can adversely affect the underlying asset value, also

affecting the ETF price. Securities Market Makers (“SMMs”) are Exchange Participants that provide liquidity to facilitate trading in ETFs. Although most ETFs are supported by one or more SMMs, there is no assurance that active trading will be maintained. In the event that the SMMs default or cease to fulfill their role, investors may not be able to buy or sell the product.

**Real estate** funds (including REITs) face several kinds of risk that are inherent in the real estate sector, which historically has experienced significant fluctuations and cycles in performance. Revenues and cash flows may be adversely affected by: changes in local real estate market conditions due to changes in national or local economic conditions or changes in local property market characteristics; competition from other properties offering the same or similar services; changes in interest rates and in the state of the debt and equity credit markets; the ongoing need for capital improvements; changes in real estate tax rates and other operating expenses; adverse changes in governmental rules and fiscal policies; adverse changes in zoning laws; the impact of present or future environmental legislation and compliance with environmental laws.

**Past performance is not indicative of future results. Investing in securities involves a risk of loss that the client should be prepared to bear. While this information provides a synopsis of the events that may affect client investments, this listing is not exhaustive. We want clients to understand that there are inherent risks associated with investing and depending on the risk occurrence; clients may suffer LOSS OF ALL OR PART OF THEIR PRINCIPAL INVESTMENT.**

## **Item 9: Disciplinary Information**

### **A. Criminal or Civil Actions**

There are no criminal or civil actions to report.

### **B. Administrative Proceedings**

There are no administrative proceedings to report.

### **C. Self-regulatory Organization (SRO) Proceedings**

There are no self-regulatory organization proceedings to report.

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

#### **A. Registration as a Broker-Dealer or Broker-Dealer Representative**

Neither Columbus Macro nor its representatives are registered as, or have pending applications to become, a broker-dealer or a representative of a broker-dealer.

#### **B. Registration as a Futures Commission Merchant, Commodity Pool Operator, or a Commodity Trading Advisor**

Neither Columbus Macro nor its representatives are registered as, or have pending applications to become, a Futures Commission Merchant, Commodity Pool Operator, or Commodity Trading Advisor or an associated person of the foregoing entities.

#### **C. Registration Relationships Material to this Advisory Business and Possible Conflicts of Interests**

Representatives (IARs) of Columbus Macro are permitted to engage in other business activities outside of Columbus Macro. However, IARs are required to disclose and receive approval from the CCO prior to engagement in any such activity that is related to financial services (i.e. insurance, banking, etc.). Once disclosed and approved, any changes in outside activities are also to be reported to the CCO promptly.

Scott Dooley is also a Managing Director for Rayliant Global Advisors and serves as the Chief Investment Officer and Chief Compliance Officer of Rayliant Asset Management, US. As with Columbus Macro, both of these firms have a detailed Code of Ethics that includes monitoring personal securities transactions and managing conflicts, and they maintain comprehensive compliance programs. Columbus Macro has developed and implemented various policies and procedures to mitigate the conflicts of interest these relationships may present.

In addition, Scott Dooley is the Managing Member of Fusion Management Group, LLC, a holding company which owns an equity stake in ETF Global, LLC. ETF Global is a provider of data, research, investment decision support applications, proprietary risk analytics and educational offerings for exchange-traded products. Columbus Macro does not intend to utilize the ETF Global platform.

#### **D. Selection of Other Advisers or Managers and How This Adviser is Compensated for Those Selections**

For certain investment programs, Columbus Macro acts as an overlay manager and may select and utilize third-party investment managers to manage a portion (sleeve) of an individual client's Unified Managed Account (UMA). The fee charged by these third-party investment managers is borne entirely by Columbus Macro and is not an incremental cost to the client, as it is included in the overall client wrap fee.

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

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

Columbus Macro has a written Code of Ethics that covers the following areas: Prohibited Purchases and Sales, Insider Trading, Personal Securities Transactions, Exempted Transactions, Prohibited Activities, Conflicts of Interest, Gifts and Entertainment, Confidentiality, Service on a Board of Directors, Compliance Procedures, Compliance with Laws and Regulations, Procedures and Reporting, Certification of Compliance, Reporting Violations, Compliance Officer Duties, Training and Education, Recordkeeping, Annual Review, and Sanctions. Columbus Macro's Code of Ethics is available free upon request to any client or prospective client.

### **B. Recommendations Involving Material Financial Interests**

Columbus Macro does not recommend that clients buy or sell any security in which a related person to Columbus Macro or Columbus Macro has a material financial interest.

### **C. Investing Personal Money in the Same Securities as Clients**

From time to time, representatives of Columbus Macro may buy or sell securities for themselves that they also recommend to clients. This may provide an opportunity for representatives of Columbus Macro to buy or sell the same securities before or after recommending the same securities to clients resulting in representatives profiting off the recommendations they provide to clients. Such transactions may create a conflict of interest. Columbus Macro will always document any transactions that could be construed as conflicts of interest and will never engage in trading that operates to the client's disadvantage when similar securities are being bought or sold.

### **D. Trading Securities At/Around the Same Time as Clients' Securities**

From time to time, representatives of Columbus Macro may buy or sell securities for themselves at or around the same time as clients. This may provide an opportunity for representatives of Columbus Macro to buy or sell securities before or after recommending securities to clients resulting in representatives profiting off the recommendations they provide to clients. Such transactions may create a conflict of interest; however, Columbus Macro will never engage in trading that operates to the client's disadvantage if representatives of Columbus Macro buy or sell securities at or around the same time as clients.



## Item 12: Brokerage Practices

### A. Factors Used to Select Custodians and/or Broker/Dealers

#### Sub-Advisory/Model Provider

Depending on the account program, account assets are custodied by a custodian selected by the program sponsor, platform manager, or the client's financial advisor. In these cases, the program sponsor, platform manager or the client's advisor has the duty to seek "best execution," which is the obligation to seek execution of securities transactions for a client on the most favorable terms for the client under the circumstances. In each of these arrangements, clients may not necessarily pay the lowest commission or commission equivalent. program sponsors and financial advisors have their own considerations.

#### Direct Advisory

Columbus Macro does not maintain custody of client assets. Although we may be deemed to have custody of a client's account when a client gives us authority to deduct advisory fees or other expenses from their account (see Item 15 - Custody, below). Client assets must be maintained in an account at a "qualified custodian," generally a broker-dealer or bank. Generally, we recommend that our direct advisory high net worth family clients use Charles Schwab & Co., Inc. ("Schwab"), a FINRA-registered broker-dealer, member SIPC, as the qualified custodian. For institutional clients, we routinely recommend that clients use Fidelity Investments, a register broker-dealer, member SIPC, as the qualified custodian. Columbus Macro is independently owned and operated and not affiliated with Schwab nor Fidelity. Schwab and Fidelity will hold client assets in a brokerage account and buy and sell securities when instructed by Columbus Macro. While Columbus Macro recommends that clients use Schwab or Fidelity as custodian/broker, clients will decide whether to do so and open an account with Schwab or Fidelity by entering into an account agreement directly with them. Columbus Macro does not open the account for clients. Even though client accounts are maintained at Schwab or Fidelity, Columbus Macro can still use other brokers to execute trades for client accounts, as described in the next paragraph.

We seek to recommend a custodian/broker who will hold client assets and execute transactions on terms that are overall most advantageous when compared with other available providers and their services. When Columbus Macro engages in direct advisory business, we have the duty to seek "best execution." Clients may not necessarily pay the lowest commission or commission equivalent. Columbus Macro considers a wide range of factors, including:

- Combination of transaction execution services along with asset custody services (generally without a separate fee for custody)
- Capability to execute, clear, and settle trades (buy and sell securities for client accounts)
- Capabilities to facilitate transfers and payments to and from accounts (wire transfers, check requests, bill payment, etc.)



- Breadth of investment products made available (stocks, bonds, mutual funds, exchange-traded funds (ETFs), etc.)
- Market expertise and availability of investment research and tools that assist us in making investment decisions
- Quality of services
- Competitiveness of the price of those services (commission rates, margin interest rates, other fees, etc.) and willingness to negotiate them
- Reputation, financial strength, and stability of the provider, their prior service to us and our other clients

Columbus Macro will never charge a premium or commission on transactions, beyond the actual cost imposed by the broker-dealer/custodian.

#### Custody and Brokerage Costs

For Columbus Macro direct advisory accounts, Schwab and Fidelity generally do not charge clients separately for custody services but is compensated by charging commissions or other fees on trades that it executes or that settle into client's Schwab or Fidelity account. Schwab's and Fidelity's commission rates applicable to Columbus Macro client accounts were negotiated based on our commitment to maintain a certain level of our clients' assets in accounts at these custodians. This commitment benefits clients because the overall commission rates paid are lower than they would be if we had not made the commitment. However, there is no corresponding commitment made by Columbus Macro to Schwab, Fidelity, or any other entity to invest any specific amount or percentage of client assets in any specific mutual fund, security or other investment product as a result of the above arrangement. In addition to commissions Schwab and Fidelity charge clients a flat dollar amount as a "prime broker" or "trade away" fee for each trade that Columbus Macro has executed by a different broker-dealer but where the securities bought or the funds from the securities sold are deposited (settled) into Schwab or Fidelity accounts. These fees are in addition to the commissions or other compensation clients pay the executing broker-dealer. Because of this, in order to minimize trading costs, Columbus Macro has Schwab or Fidelity execute most trades for our client accounts.

#### Research and Other Soft-Dollar Benefits

In return for effecting securities transactions through certain broker-dealer/custodian arrangements, Columbus Macro may receive the use of commissions, technology benefits or "soft dollars" to pay for certain eligible investment research and/or brokerage products or services which assist Columbus Macro in its investment decision making process.

Eligible soft dollar investment research and/or brokerage products, services, or technology benefits received by Columbus Macro may include, but are not limited to: research pertaining to specific securities, companies or sectors; market, financial and economic studies and forecasts; financial publications; portfolio management systems; statistical and pricing services; and certain services and software used to perform research activities or which is related to the execution, clearing and settlement of securities transactions; and products and services to assist us in managing and administering clients' accounts.

Although the commissions paid by Columbus Macro's clients shall comply with Columbus Macro's duty to obtain best execution, a client may pay a commission that is higher than another qualified broker-dealer might charge to affect the same transaction where Columbus Macro determines, in good faith, that the commission is reasonable in relation to the value of the brokerage and research services received.

In seeking best execution, the determinative factor is not the lowest possible cost, but whether the transaction represents the best qualitative execution, taking into consideration the full range of a broker-dealer services, including the value of research provided, execution capability, commission rates, and responsiveness.

Although the investment research and/or brokerage products, services, or technology benefits that may be obtained by Columbus Macro will generally be used to service all of Columbus Macro's clients, a brokerage commission paid by a specific client may be used to pay for research and/or brokerage products or services that are not used in managing that specific client's account.

#### Brokerage for Client Referrals

Columbus Macro receives no referrals from a broker-dealer or third party in exchange for using that broker-dealer or third party.

#### Clients Directing Which Broker-Dealer/Custodian to Use

For its sub-advisory and model provider relationships, Columbus Macro relies on program sponsors to determine where assets are custodied and trades are executed.

For direct advisory business, the client may designate the brokerage firm(s) with which orders for the purchase or sale of Securities are to be placed or custodian where assets will be held (subject to Columbus Macro's right to decline and/or terminate the engagement). In such event, the client will negotiate terms and arrangements for the Account with that broker-dealer, and Columbus Macro will not seek better execution services or prices from other broker-dealers or be able to "batch" client transactions for execution through other broker-dealers with orders for other accounts managed by Columbus Macro.

### **B. Aggregating (Block) Trading for Multiple Client Accounts**

In sub-advisory cases where the program sponsors delegate trade execution to a designated platform manager (such as Envestnet, FolioDynamix) or when Columbus Macro acts as a model provider, Columbus Macro does not execute transactions directly in client accounts, but rather submits model changes to these platform managers. Trading and rebalancing are executed according to the policies and procedures of platform managers based on our investment instructions and guidelines.

In other sub-advisory instances and for direct advisory accounts, we will generally aggregate orders for several or more clients at a given custodian (a practice known as block trading) where it is possible and in the client's best interests. Each client that

participates in a block trade will receive the average share price and a pro-rata share allocation.

### **C. Columbus Macro Commentary & Reports**

Columbus Macro provides economic and market commentary that is made available to broker-dealers and registered investment advisors. These materials include detailed market information as well as investment/economic perspectives and review of Columbus Macro investment strategies.

## **Item 13: Review of Accounts**

### **A. Frequency and Nature of Periodic Reviews and Who Makes Those Reviews**

Members of the Columbus Macro portfolio management team are responsible for monitoring the accounts we manage. On a weekly basis, they review the specific holdings in each Columbus Macro strategy, as well as attribution information, which details how each position is performing relative to the strategy benchmark. Particular attention is given to continued suitability of securities in relation to the strategy's investment objectives, performance of individual investments and changes in company fundamentals, industry outlook, market outlook, price levels, and asset allocation policy ranges. The accounts are also reviewed frequently to assess the total portfolio taking into account such factors as diversification, risk, return and relative performance.

### **B. Factors That Will Trigger a Non-Periodic Review of Client Accounts**

More frequent reviews may be triggered by material market, economic or political events, or by changes in client's financial situations (such as retirement, termination of employment, physical move, or inheritance).

Clients should notify their third-party advisor or Columbus Macro (in the case of a direct advisory relationship) promptly if there are any material changes to their financial situation, investment objectives, or in the event they wish to place restrictions on their account.

### **C. Content and Frequency of Regular Reports Provided to Clients**

In sub-advisory cases where the program sponsor retains client performance reporting responsibilities or when Columbus Macro acts as a model provider, each client will

receive, at least quarterly, a brokerage account statement and a performance report provided directly by the program sponsor.

In other sub-advisory instances where the program sponsor delegates client performance reporting responsibilities and for direct advisory accounts, each client will receive, at least quarterly, a brokerage account statement provided directly by the custodian and a performance report provided by Columbus Macro.

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

### **A. Economic Benefits Provided by Third Parties for Advice Rendered to Clients (Includes Sales Awards or Other Prizes)**

Columbus Macro receives compensation via its sub-advisory or model provider arrangement with program sponsors, but otherwise does not receive any economic benefit from any other third party for advice rendered to Columbus Macro's clients.

Columbus Macro may receive an economic benefit from Schwab, TD Ameritrade, or Fidelity in the form of the support products and services it makes available to Columbus Macro and other independent investment advisors that have their clients maintain accounts at these custodians. These products and services, how they benefit Columbus Macro, and the related conflicts of interest are described above (see Item 12 – Brokerage Practices). The availability of Schwab, TD Ameritrade, and Fidelity products and services to Columbus Macro is not based on Columbus Macro giving particular investment advice, such as buying particular securities for our clients that would benefit these third-party firms.

### **B. Compensation to Non - Advisory Personnel for Client Referrals**

Columbus Macro engages third-party marketing firms for referral services to registered investment advisory firms. Their primary role is to select, introduce, and assist potential clients in establishing a relationship with Columbus Macro. These firms receive a percentage of the asset-based management fees on all Separately Managed Account (SMA) assets secured for Columbus Macro through their direct marketing and referral efforts.

Columbus Macro also compensates non-employee third-party solicitors for client referrals. Such referral arrangements are governed by a written agreement between Columbus Macro and the particular third party that (i) complies with the SEC's "cash solicitation" rule (Rule 206(4)-3); (ii) requires that clients be provided with copies of Columbus Macro's ADV Brochure, separate disclosure of the nature of the referral arrangement (including compensation features) applicable to the client being referred and containing the information required by the Rule, and any other document required to be provided under applicable state law; and (iii) provides that the third party will not be paid

compensation for any client referral unless it is registered as an investment advisor or investment advisor agent to the extent required under federal law and the law of the state in which the referred client resides.

Solicitors are paid a portion of the fee paid by each client they refer to Columbus Macro. Columbus Macro does not charge solicited clients fees greater than those charged to new Columbus Macro clients with similar portfolios managed by Columbus Macro who were not introduced by a third-party solicitor.

Fee arrangements with solicitors are detailed in the solicitor's Solicitor Disclosure Document. Columbus Macro performs all accounting and remittance to the solicitor for the sharing of these management fees.

## **Item 15: Custody**

Columbus Macro does not have physical or constructive custody for any client funds. Depending on the account program, account assets are custodied by a custodian selected by the program sponsor. Under government regulations, Columbus Macro is deemed to have custody of assets where clients authorize us to instruct custodians to deduct our advisory fees directly from their account. However, custodians maintain actual custody of client assets. The custodian sends account statements to the client either quarterly or more frequently. These statements should be carefully reviewed for accuracy and in some cases where available compared with the periodic performance reports received from Columbus Macro.

## **Item 16: Investment Discretion**

### Sub-Advisory / Model Provider

Columbus Macro provides both discretionary and non-discretionary investment advisory services to clients. When a client of the program sponsor signs an investment advisory agreement with the program sponsor, Columbus Macro in its sub-advisory capacity retains the continuous and regular management authority to decide which securities to purchase, sell, and hold, the total amount of the securities to be bought/sold/held, and the price per share that we deem appropriate for the clients of program sponsors without consultation. As such, we make initial asset allocation decisions along with continuous and regular monitoring and reallocation. When constructing and managing models, we consider the client's objective as to risk-tolerance and tax sensitivity. While platform managers may perform administrative and/or trading duties pursuant to our direction and instructions, platform managers are not responsible for specific investment selections. Nor can the platform manager change or modify our instructions. Within our sub-advised UMA strategies, Columbus Macro has the authority to allocate assets among other managers (a "manager of managers"), including the ability to hire and fire managers and reallocate assets among them. In most cases, Columbus Macro's compensation is directly tied to the value of client assets we manage. We therefore classify these assets as discretionary.

Our assets under advisement are either discretionary or non-discretionary assets. Our contractual arrangements with program sponsors and the level of trading detail provided by program managers further distinguishes which programs are reported as AUM vs AUA. In the cases where platform managers do not provide us with sufficient client-level detail, we count these discretionary assets as AUA for regulatory reporting purposes. For certain programs, Columbus Macro receives a negotiated fixed annual fee from program sponsor for model development and maintenance. In these instances, Columbus Macro treats these programs as non-discretionary.

#### Direct Advisory

For direct advisory accounts, Columbus Macro has discretionary authority to make the following determinations without obtaining the consent of the client before the transactions are affected:

- Which securities are to be bought or sold
- The total amount of the securities to be bought or sold
- Brokers through which securities are to be bought or sold
- The commission rates at which securities transactions for client accounts are affected

However, Columbus Macro's authority may be subject to conditions imposed by the client, examples of which may include: 1) the client restricts or prohibits transactions in specific securities or industries, 2) the client directs that transactions be affected through specific brokers and dealers. The latter restriction may be conditioned by the client on the broker or dealer being competitive as to price and execution for each transaction, or offering a specified level of commission discount or may be subject to varying degrees of restrictions such as an instruction to utilize a particular broker or dealer: a) whether or not competitive, and b) where the specified levels of commission discounts are less favorable than might otherwise be obtained by Columbus Macro.

We are not authorized to remove funds, securities, or property from client accounts.

### **Item 17: Voting Client Securities (Proxy Voting)**

Individual sub-advisory, model provider, or direct investment advisory agreements dictate which party is responsible for voting proxies. For certain sub-advisory and direct advisory relationships that utilize our strategies, Columbus Macro is responsible for voting proxies for client accounts. In these cases, we utilize a third-party service provider (Broadridge ProxyEdge) to vote proxies on our behalf.

Broadridge's proxy voting policies have been reviewed and approved by us as we believe that these policies are in the clients' best interest. Broadridge's proxy voting policy was created using the publicly disclosed vote records of top fund families, selected by Assets Under Management, and whose goal is to maximize shareholder value. Their policy guidelines are not meant to be all-encompassing. While many proxy proposals can be voted in accordance within these established guidelines, certain proposals require special consideration and CM will consider the proposal and vote (or abstain) in the clients' best interests.

If a proxy vote creates a material conflict between the interests of Columbus Macro and a client, it will be resolved prior to voting the proxy. Columbus Macro will do one of the following: (1) vote according to Broadridge's guidelines; (2) disclose the conflict to the client and obtain consent prior to voting; or (3) abstain from voting.

Records of all proxy votes are retained for a five-year period, pursuant to Section 204-2 of the Advisers Act. Records of written client requests for proxy voting information will be maintained for the same period. Should any person request a copy of CM's proxy voting policy, the CCO should be notified and all requests will be logged by the CCO.

For other sub-advisory, direct advisory and all model provider agreements, the responsibility for proxy voting is designated to the client, program sponsor or the platform manager rather than Columbus Macro. In these cases, clients will receive proxy information from their custodian. These clients may elect to vote themselves or delegate voting to a third-party service provider.

## **Item 18: Financial Information**

### **A. Balance Sheet**

Columbus Macro neither requires nor solicits prepayment of more than \$1200 in fees per client, six months or more in advance, and therefore is not required to include a balance sheet with this brochure.

### **B. Financial Conditions Reasonably Likely to Impair Ability to Meet Contractual Commitments to Clients**

Neither Columbus Macro nor its management has any financial condition that is likely to reasonably impair Columbus Macro's ability to meet contractual commitments to clients.

### **C. Bankruptcy Petitions in Previous Ten Years**

Columbus Macro has not been the subject of a bankruptcy petition in the last ten years.