



**Momentum Investment Partners LLC
d/b/a
Avatar Investment Management**

Form ADV Part 2A – Disclosure Brochure

Effective: March 11, 2013

This Disclosure Brochure provides information about the qualifications and business practices of Momentum Investment Partners, LLC d/b/a Avatar Investment Management ("Avatar"). If you have any questions about the contents of this Disclosure Brochure, please contact us at (212) 624-1900.

Avatar is a Registered Investment Advisor with the U.S. Securities and Exchange Commission. The information in this Disclosure Brochure has not been approved or verified by the U.S. Securities and Exchange Commission ("SEC") or by any state securities authority. Registration of an investment advisor does not imply any specific level of skill or training. This Disclosure Brochure provides information about Avatar to assist you in determining whether to retain the Advisor.

Additional information about Avatar and its advisory persons are available on the SEC's website at www.adviserinfo.sec.gov.

Avatar Investment Management
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Item 2 – Material Changes

Form ADV 2 is divided into two parts: *Part 2A and Part 2B*. *Part 2A* (the “Disclosure Brochure”) provides information about a variety of topics relating to an Advisor’s business practices and conflicts of interest. *Part 2B* (the “Brochure Supplement”) provides information about advisory personnel of Avatar.

Avatar believes that communication and transparency are the foundation of our relationship and continually strive to provide our Clients with the complete and accurate information at all times. We encourage all current and prospective Clients to read this Disclosure Brochure and discuss any questions you may have with us. And of course, we always welcome your feedback.

Material Changes

1. Avatar moved its headquarters from New York, NY to Stamford, CT.
2. Avatar launched open-end mutual funds. See Item 4.

Future Changes

From time to time, we may amend this Disclosure Brochure to reflect changes in our business practices, changes in regulations and routine annual updates as required by the securities regulators. This complete Disclosure Brochure or a Summary of Material Changes shall be provided to each Client annually and if a material change occurs in the business practices of Avatar. In the past we have offered or delivered information about our qualifications and business practices to clients at least annually. Pursuant to these new rules, we will ensure that you receive a summary of any material changes to this document and subsequent brochures within 120 days of the close of our fiscal year end. We may provide other ongoing disclosure information about material changes as necessary.

At any time, you may view the current Disclosure Brochure on-line at the SEC’s Investment Adviser Public Disclosure website at www.adviserinfo.sec.gov.

To review the firm information for Avatar:

- Click **Investment Advisor Search** in the left navigation menu.
- Select the option for **Investment Advisor Firm** and enter **158834** (our firm’s CRD number) in the field labeled “Firm IARD / CRD Number”.
- This will provide access to Form ADV Part 1 and Part 2.
- Item 11 of the ADV Part 1 lists legal and disciplinary questions regarding the Advisor.
- In the left navigation menu, Form ADV Part 2 is located near the bottom.

You may also request a copy of this Disclosure Brochure at any time, by contacting us at (212) 624-1900.

Item 3 – Table of Contents

Item 1 – Cover Page.....	1
Item 2 – Material Changes.....	2
Item 3 – Table of Contents.....	3
Item 4 – Advisory Services	3
A. Firm Information	4
B. Advisory Services Offered	4
C. Client Account Management	6
D. Wrap Fee Programs	6
E. Assets Under Management.....	7
Item 5 – Fees and Compensation.....	7
A. Fees for Advisory Services	7
B. Fee Billing	7
C. Other Fees and Expenses	8
D. Advance Payment of Fees and Termination.....	8
E. Compensation for Sales of Securities	8
Item 6 – Performance-Based Fees and Side-By-Side Management	8
Item 7 – Types of Clients	9
Item 8 – Methods of Analysis, Investment Strategies and Risk of Loss	9
A. Methods of Analysis.....	9
B. Risk of Loss.....	10
B. Risk of Loss - continued	11
Item 9 – Disciplinary Information	11
Item 10 – Other Financial Industry Activities and Affiliations	11
Item 11 – Code of Ethics, Participation or Interest in Client Transactions and Personal Trading.....	12
A. Code of Ethics.....	12
B. Personal Trading with Material Interest.....	12
C. Personal Trading in Same Securities as Clients.....	12
D. Personal Trading at Same Time as Client	12
Item 12 – Brokerage Practices.....	12
A. Recommendation of Custodian[s].....	12
A. Recommendation of Custodian[s] - continued	13
B. Aggregating and Allocating Trades	13
Item 13 – Review of Accounts.....	13
A. Frequency of Reviews	13
B. Causes for Reviews	13
C. Review Reports	14
Item 14 - Client Referrals and Other Compensation.....	14
A. Compensation Received by Avatar.....	14
B. Client Referrals from Solicitors	14
Item 15 – Custody	14
Item 16 – Investment Discretion	15
Item 17 – Voting Client Securities	15
Item 18 – Financial Information	15
Privacy Policy.....	16

Item 4 – Advisory Services

A. Firm Information

Momentum Investment Partners LLC d/b/a Avatar Investment Management ("Avatar" or the "Advisor") is a Registered Investment Advisor with the U.S. Securities and Exchange Commission, which is organized as a Limited Liability Company (LLC) under the laws of the State of Delaware. Avatar was founded in August 2011, and is primarily owned and operated by Ronald J. Fernandez (CEO and Co-CIO), Lisa A. Cohen (President and COO) and Larry W. Seibert (Senior Managing Director and Co-CIO). This Disclosure Brochure provides information regarding the qualifications, business practices, and the advisory services provided by Avatar.

B. Advisory Services Offered

Avatar provides investment management to individuals, high net worth individuals, pension and profit sharing plans, trusts, estates, charitable organizations and corporations and other business entities (each a "Client"). Avatar maintains proprietary economic models that it uses to interpret market activity and anticipate market movements. Avatar seeks to position its Clients in and out of Exchange Traded Funds ("ETFs") to maximize Client returns. This method is referred to as Global Tactical Asset Allocation ("GTAA"). The output of its GTAA models serves as the basis for various investment strategies. In addition, Avatar offers other investment approaches and products tailored to the needs of different Clients. However, the underlying idea of GTAA is typically incorporated into each Client relationship.

Avatar primarily constructs portfolios with ETFs as part of its GTAA models. Avatar also participates in certain "Wrap-Fee Programs" sponsored by brokerage firms through which Avatar's discretionary investment management services are offered to the brokerage firms' clients.

Avatar evaluates and selects investments for inclusion in Client portfolios only after applying their internal due diligence process. Avatar may recommend, on occasion, redistributing investment allocations to diversify the portfolio. Avatar may recommend specific positions to increase sector or asset class weightings. The Advisor may recommend employing cash positions as a possible hedge against market movement, which may adversely affect the portfolio. Avatar may recommend selling positions for reasons that include, but are not limited to, harvesting capital gains or losses, business or sector risk exposure to a specific security or class of securities, overvaluation or overweighting of the position[s] in the portfolio, change in risk tolerance of Client, generating cash to meet Client needs, or any risk deemed unacceptable for the Client's risk tolerance.

Avatar also provides other advisory services to clients from time to time, including advice regarding general buy and sell signals. We also have legacy advisory services that are no longer offered to new clients. These products include Financial Advisors Services ("FAD") and Private Client Services ("PCS").

For certain legacy advisory Clients, stocks and bonds may be purchased or sold through a brokerage account. The brokerage firm charges a fee for stock and bond trades. Investments may also include: equities (stocks), corporate debt securities, commercial paper, certificates of deposit (CD), municipal securities, investment company securities (variable life insurance, variable annuities, and mutual funds shares), US government securities, and futures contracts. Initial public offerings (IPOs) are not available through Avatar.

Avatar will provide investment advisory services and portfolio management services and will not provide securities custodial or other administrative services. At no time will Avatar accept or maintain custody of a Client's funds or securities. All Client assets will be managed within their designated brokerage account or pension account, pursuant to the Client Investment Advisory Agreement.

In addition to the investment management services described above; below is a description of products/services provided by Avatar:

Collective Trust Series

The Collective Trusts are for various employee benefit plans (the "Plans") that are (1) exempt from federal income tax pursuant to certain sections of the Internal Revenue Code of 1986, as amended (the "Code"); (2) maintained by a governmental employer under Section 414(d) of the Code; and (3) group trusts maintained by a bank or separate accounts (as defined by Section 2(a)(37) of the Investment Company Act of 1940) which consists solely of assets of the foregoing types of Plans.

Collective Trust Series - continued

We manage five collective trust vehicles that move from aggressive (Aggressive Growth) to conservative (Capital Preservation) for which Avatar is paid an investment advisory fee of 25 basis points. In addition to the Management Fees, trustee fees and possible transactions costs and other expenses may be incurred in the management of the collective trust vehicles. Our Collective Trusts seek to outperform their designated benchmarks by raising or lowering asset class exposures, industry sector exposures, and international country exposures to anticipate relative price movements. To this end, each trust utilizes fixed income ETFs, equity ETFs, and international ETFs.

Mutual Funds

The Advisor serves as the portfolio manager to the Avatar Capital Preservation Fund, Avatar Tactical Multi-Asset Income Fund, Avatar Absolute Return Fund, and the Avatar Global Opportunities Fund (collectively the "Funds"). The Funds are each a Series of open-end registered investment company. Subject to general supervision by the Board of Trustees of the Northern Lights Fund Trust (herein the "Board") and in accordance with the investment objectives, policies and restrictions of the Funds, the Avatar provides the Funds with ongoing investment management and administrative oversight.

The Advisor has discretion to determine which securities or other investments to purchase or sell, and what portion of the Funds' assets will be held in various securities, cash or other investment instruments, consistent with the Funds' investment objective and guidelines as set forth in the current prospectus and statement of additional information. A full description of the services provided by the Advisor for managing the Funds are available in the prospectus and statement of additional information, which can be obtained from the SEC website (www.SEC.gov) or by contacting the Advisor.

Target Date Strategies

The Avatar Target Date Strategies are constructed by investing in one or more of Avatar's collective trust vehicles. No additional fee is charged at the Target Date level. Weightings of each portfolio in the Avatar Target Date Strategies are determined by the risk glide path and move from an aggressive to conservative strategy over a designated time period.

Broker-Dealer Sponsored Wrap Fee Programs

Avatar participates in certain programs sponsored by broker-dealers through which Avatar's discretionary investment management services (and those of other investment advisors) are offered to the broker-dealer clients. Each client enters into an investment advisory agreement with the broker-dealer and the broker-dealer has a separate service provider agreement with Avatar. The client pays a single all-inclusive fee based on the net value of the assets under management. Part of this fee (between 0.11% and 0.40% depending on the platform and strategy) is paid by the broker-dealer to Avatar for investment advisory services. The fee also covers custodial, execution and other client-related services performed by the broker-dealer, and may be negotiable. The broker-dealer may pay a separate fee to Avatar at rates negotiated between Avatar and the broker-dealer. The agreement can be terminated at the written request of either the client or the broker-dealer. Upon termination, all pre-paid, unearned fees will be refunded by Avatar to the brokerage firm. Avatar currently participates in the following Wrap-Fee Programs:

Charles Schwab; Investnet Asset Management; Equis Capital Management; Genworth Financial Wealth Management (formerly called AssetMark); LPL; Raymond James; Royal Bank of Canada (RBC); SagePoint; TD Ameritrade; and Wells Fargo Advisors' Private Advisor Network (PAN).

Managed Account Programs

Avatar also manages Separately Managed accounts through these investment platforms. Our portfolio strategies merge passive indexes with active management in a separate account format. Portfolio strategies include investments in 10 to 50 ETFs of different asset classes and industry sectors to seek capital appreciation and income. Avatar manages several different investment strategies that range from fixed income to all equity.

Separately Managed Account programs offer Clients two forms of wrap fee arrangements. First, the Client can contract directly with the Program Sponsor (the broker-dealer that, for a portion of the fee, sponsors, organizes, or administers the program or recommends portfolio managers under the program) whereby Avatar has a contractual service arrangement with the Program Sponsor, but not with the Client. Second, the Client contracts with the Program Sponsor and Avatar and Avatar manages the account's assets in accordance with the investment strategy chosen by the Client. All fees are collected by the custodian who remits Avatar's

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Management Fee. In addition, the Program Sponsor typically monitors and evaluates the account's performance, executes the Client's portfolio transactions, and provides custodial services for the Client's assets, (or provides any combination of these or other services), all for a all-inclusive fee. In evaluating such an arrangement, a Client should recognize that the brokerage commissions and other expenses and fees for the execution of transactions in the client's account are not typically negotiated by Avatar. Most or all of the transactions the client's account will be executed through the custodian's broker-dealer with whom the client has entered into a custody arrangement for the account. The client should consider whether, depending upon the level of the wrap fee charged by the Sponsor, the amount of portfolio activity in the client's account, the value of custodial and other services which are included in a wrap fee arrangement, are reasonable. Clients with should refer to the agreement with their wrap fee sponsor regarding services, fees, expenses and other details on their arrangement.

Institutional Accounts

Avatar provides investment advisory services to institutional investors. Account minimums are 20 million.

Global Tactical Asset Allocation Overlay

Global Tactical Asset Allocation Overlay strives to add value via intermediate-term adjustments, or "tactical tilts," to a portfolio's long-term asset mix. Alpha ("excess investment return") is sought in both bullish and bearish market environments by rebalancing, overweighting and underweighting asset class exposures. Overlay aims to provide a higher return per unit of risk than the benchmark through the use of financial futures. A portfolio is normally comprised of multiple underlying managers representing diversified strategies, but the overlay strategy is generally not visible to the portfolio's underlying managers. Overlay management can be performed on domestic and/or global portfolios.

Legacy Services

Avatar maintains several legacy services for Clients that have invested with us or our predecessor firm in the past. These services are not available to new investors and involve Financial Advisors Services (FAD) and Private Client Services (PCS). Strategies in legacy services use various asset classes and sectors including stocks, bonds and cash. Fees for these products vary based on strategy and asset size.

Other Services

Avatar provides consulting services to Clients from time to time, including advice regarding general buy and sell signals, which Clients may use for their own investment purposes. Fees for such services are negotiated on a case-by-case basis depending upon the services provided.

C. Client Account Management

Prior to engaging Avatar to provide investment advisory services, each Client is required to enter into an Investment Advisory Agreement with the Advisor that defines the terms, conditions, authority and responsibilities of the Advisor and the Client. These services may include:

- Establishing an Investment Policy Statement – Avatar, in connection with the Client, may develop a statement that summarizes the Client's investment goals and objectives along with the broad strategy[ies] to be employed to meet the objectives. An Investment Policy Statement generally includes specific information on the Client's stated goals, time horizon for achieving the goals, investment strategies, Client risk tolerance and any restrictions imposed by the Client.
- Asset Allocation – Avatar will develop a strategic asset allocation that is targeted to meet the investment objectives, time horizon, financial situation and tolerance for risk for each Client.
- Portfolio Construction – Avatar will develop a portfolio for the Client that is intended to meet the stated goals and objectives of the Client.
- Investment Management and Supervision – Avatar will provide investment management and ongoing oversight of the Client's portfolio and overall account.

D. Wrap Fee Programs

Avatar participates in certain "Wrap-Fee Programs" sponsored by brokerage firms through which Avatar's discretionary investment management services are offered to the brokerage firms' clients.

E. Assets Under Management

As of December 31, 2012, Avatar manages approximately \$993,318,358 in discretionary investment assets.

Item 5 – Fees and Compensation

The following paragraphs detail the fee structure and compensation methodology for investment management. Each Client shall sign an Investment Advisory Agreement that details the responsibilities of Avatar and the Client.

A. Fees for Advisory Services

Account Portfolio Management

The specific manner in which fees are charged quarterly in advance by Avatar pursuant to each Client's written agreement with Avatar. We generally base our fees on a percentage of assets under management.

Account fees vary by product line and individual Client circumstances. Fee ranges for each product are as follows:

- Collective Trust Series - 0.25% for all strategies.
- Target Date Strategies - 0.25% at the collective trust level only. There are no fees charged at the Target Date strategy level.
- Broker-dealer Sponsored Wrap-Fee Programs - Avatar receives a Management Fee between 0.25% and 0.40%.
- Individual portfolio circumstances may influence the negotiation of a fee rate differing from our standard schedule.

Retainer Fees

Retainer agreements may be priced based on the complexity of work, especially when asset management is not the most significant part of the relationship.

Global Tactical Asset Allocation Overlay

Overlay assets are based upon notional principal. Fees are typically between 0.12% and 0.20%. In addition a performance fee is charged in the amount of 20% on any amounts above the breakpoint. The breakpoint is 50 bps for domestic overlay and 75 bps for GTAA.

Legacy Services

Fees for these products vary based on strategy and asset size. Fees typically range between 1.00% and 2.50%.

Other Consulting Services

Avatar provides other consulting services to Clients from time to time, including advice regarding general buy and sell signals, which Clients may use for their own investment purposes. Fees for such services are negotiated on a case-by-case basis depending upon the services provided.

Avatar, in its sole discretion, may waive its minimum fee and/or charge a lesser investment advisory fee based upon certain criteria (e.g., historical relationship, type of assets, anticipated future earning capacity, anticipated future additional assets, dollar amounts of assets to be managed, related accounts, account composition, negotiations with Clients, etc.).

B. Fee Billing

Account Portfolio Management

Generally, Management Fees will be automatically deducted from the Client Account by the Custodian. The Advisor shall send an invoice to the Custodian indicating the amount of the fees to be deducted from the Client Account at the respective quarter end date. The amount due is calculated by applying the quarterly rate (annual rate divided by 4) to the total assets under management with Avatar at the end of each quarter. Clients will be provided with a statement, at least quarterly, from the Custodian reflecting deduction of the Investment Advisory Fee. In addition, the Advisor will provide the Client a report itemizing the fee, including the calculation period

covered by the fee, the account value and the methodology used to calculate the fee. It is the responsibility of the Client to verify the accuracy of these fees as listed on the custodian's brokerage statement as the Custodian does not assume this responsibility. Clients provide written authorization permitting Avatar to be paid directly from their accounts held by the Custodian as part of the Investment Advisory Agreement and separate account forms provided by the Custodian.

C. Other Fees and Expenses

Clients may incur certain fees or charges imposed by third parties, other than Avatar, in connection with investment made on behalf of the Client's account[s]. The Client is responsible for all custodial and securities execution fees charged by the custodian and executing broker-dealer. The Investment Advisory Fee charged by Avatar is separate and distinct from these custodian and execution fees.

In addition, all fees paid to Avatar for investment advisory services are separate and distinct from the expenses charged by mutual funds and exchange-traded funds to their shareholders, if applicable. These fees and expenses are described in each fund's prospectus. These fees and expenses will generally be used to pay Management Fees for the funds, other fund expenses, account administration (e.g., custody, brokerage and account reporting), and a possible distribution fee. A Client could invest in these products directly, without the services of Avatar, but would not receive the services provided by Avatar which are designed, among other things, to assist the Client in determining which products or services are most appropriate to each Client's financial situation and objectives. Accordingly, the Client should review both the fees charged by the fund[s] and the fees charged by Avatar to fully understand the total fees to be paid.

D. Advance Payment of Fees and Termination

Account Portfolio Management

Avatar is generally compensated for its services in advance of the quarter before investment advisory services are rendered.

Clients may request to terminate their Investment Advisory Agreement with Avatar, in whole or in part, by providing advance written notice. Instructions to terminate are accepted in writing from an authorized client representative and are effective when received, although we prefer advance notice (30 days) to facilitate the liquidation of securities in an orderly, prudent and timely fashion. The Client shall be responsible for Management Fees up to and including the effective date of termination. Upon termination, the Advisor will refund any unearned, prepaid Management Fees from the effective date of termination to the end of the quarter. The Client's Investment Advisory Agreement with the Advisor is non-transferable without Client's written approval.

E. Compensation for Sales of Securities

Avatar does not buy or sell securities and does not receive any compensation for securities transactions in any Client account, other than the Management Fees noted above.

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

Sharing of Capital Gains Individual portfolio circumstances may influence the negotiation of a fee rate differing from Avatar's standard schedule, and certain clients negotiate and agree to a fee based in part upon the performance of the assets under management. Such performance fees are calculated in accordance with Section 205(a)(1) of the Investment Advisers Act of 1940, as amended, in accordance with available exemptions thereunder, including the exemption set forth in Rule 205-3. This method must meet Avatar's and SEC qualifications. The nature of these fees is described in the client's investment advisory agreement with Avatar. This fee arrangement may create conflicts of interest. For example, this fee arrangement may be an incentive for the advisor to make more speculative investments or increase the adviser's focus on short-term profits, rather than focusing on long-term capital appreciation. This could expose the portfolio(s) to additional levels of risk and possible loss of principal and returns thereon than it would face if such a fee structure were not in place.

For Clients that elect this fee alternative, the fee is generally a percentage of the profits earned, sometimes only after a certain minimum return has been achieved. Clients should review the pertinent investment advisory agreement for more specifics about how this fee is charged.

Item 7 – Types of Clients

Avatar provides investment advice to individuals, high net worth individuals, pension and profit sharing plans, charitable organizations, corporations and other businesses. The relative percentage each type of Client is available on Avatar's Form ADV Part 1. These percentages will change over time.

- Minimum asset amounts for accounts managed by Avatar under broker-sponsored "wrap-fee" programs are generally \$100,000; however, the minimum asset size for Equis Capital Management is \$25,000 and for Envestnet it is \$30,000.
- Typically, basic Institutional Accounts require minimum assets of \$20 million. This account size may be waived at Avatar's discretion. For example, in the event a Client already has an established relationship with Avatar.
- Overlay portfolios generally have a minimum asset level of \$50 million; however, Avatar will make exceptions to this minimum depending upon account investment objectives and other circumstances.
- Private Client Service and Financial Advisor Division accounts generally have had a minimum asset level of \$50,000; however, Avatar may accept smaller asset sizes. In the event a minimum asset size is waived, the Client should recognize that additional costs associated with managing the account may be passed on to the Client (e.g., old-lot transactions costs, minimum account fees, incremental maintenance fees, etc.).

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

A. Methods of Analysis

Avatar uses quantitative approaches to objectively identify the economic and financial factors that influence investor risk tolerances. The Composite Scoring Models Avatar employs are robust and take a "weight-of-the-evidence" approach, requiring no forecasts of input factors. These investment opinions are then translated into portfolio asset allocations through the use of optimization methods.

Upon determining the portfolio asset class mix, Avatar selects a portfolio of ETFs. Avatar seeks to select ETFs that demonstrate the ability to provide returns in the future but are relatively undervalued today. To find these, Avatar combines both quantitative and a qualitative research to construct a portfolio containing approximately 10-45 ETFs. Fixed income portfolio holdings are a mix of US government and agency issues and some selected corporate debt obligations. Avatar's sell disciplines are driven by asset allocation decisions, deteriorating stock or bond fundamentals, or stop-loss points for any given investment. Avatar may also invest in stocks and bonds for legacy accounts.

Investment Strategies Avatar has developed an asset allocation approach designed to generate positive returns by reducing the perils of volatility. Our investment strategies cover a series of risk profile from very aggressive to conservative. The aim is to create a system that balances investment risk and reward. Clients benefit from a coordinated approach that blends asset allocation, rigorous security selection, and distinct sell strategies.

Step 1. Portfolio Asset Allocation

The portfolio stocks/bonds/cash mix has the greatest impact on risk and performance. GTAA research is produced in-house by a team of analysts. The investment professionals, as a group, determine the critical portfolio allocation by analyzing and interpreting this quantitative data. The portfolio managers then uniformly implement the asset allocation strategy for their respective Clients.

Step 2. Stock And Bond Technical Selection

Avatar utilizes quantitative, technical and fundamental research and behavioral finance in the stock and ETF selection processes. Avatar uses a computer ranking system to identify equity ETFs that are inexpensive relative to their return potential. A team of portfolio managers and analysts work closely to identify industry and business trends and to select domestic and international equity ETFs that Avatar believes are the best alternatives in this environment. Avatar also alters the characteristics of the fixed income holdings in response to market risk as determined by asset allocation research.

Step 3. Sell Disciplines

Avatar may sell a security if any of the following occurs:

1) If a tactical decision is made to reduce exposure to equities or fixed income; 2) If a position size becomes too large in a portfolio; 3) In order to protect a profit; 4) In order to protect against a loss; 5) If there is a material negative change in fundamentals; and 6) If there are deteriorating quantitative ranks.

Avatar Management oversees the general activity of the trading process including best execution, approval of trading partners, trading error resolution and restitution, trading error tracking, pricing issues and the like. Other strategies may include long-term purchases, short-term purchases, trading, short sales, and margin transactions.

B. Risk of Loss

Risk of Loss Investing in securities involves risk of loss that clients should be prepared to bear. Investors face the following investment risks:

Margin Borrowings

The use of short-term margin borrowings may result in certain additional risks to a Client. For example, if securities pledged to brokers to secure a Client's margin accounts decline in value, the Client could be subject to a "margin call", pursuant to which it must either deposit additional funds with the broker or be the subject of mandatory liquidation of the pledged securities to compensate for the decline in value.

Short Sales

A short sale involves the sale of a security that the Client does not own in the hope of purchasing the same security at a later date at a lower price. To make delivery to the buyer, the Client must borrow the security and is obligated to return the security to the lender, which is accomplished by a later purchase of the security. The Client realizes a profit or a loss as a result of a short sale if the price of the security decreases or increases respectively between the date of the short sale and the date on which the Client covers its short position, i.e., purchases the security to replace the borrowed security. A short sale involves the theoretically unlimited risk of an increase in the market price of the security that would result in a theoretically unlimited loss.

Frequent Trading

Frequent trading in securities can result in higher transaction costs in the Client's account[s]. For taxable accounts, frequent trading can also result in taxable transactions each year that would not be present in a buy-and-hold strategy. There are no guarantees that a frequent trading strategy will correctly time purchases and sales of any particular security.

Interest-Rate Risk

Fluctuations in interest rates may cause investment prices to fluctuate. For example, when interest rates rise, yields on existing bonds become less attractive, causing their market values to decline.

Market Risk

The price of a security, bond, or mutual fund may drop in reaction to tangible and intangible events and conditions. This type of risk is caused by external factors independent of a security's particular underlying circumstances. For example, political, economic and social conditions may trigger market events.

Inflation Risk

When any type of inflation is present, a dollar today will not buy as much as a dollar next year, because purchasing power is eroding at the rate of inflation.

Business Risk

These risks are associated with a particular industry or a particular company within an industry. For example, oil-drilling companies depend on finding oil and then refining it, a lengthy process, before they can generate a profit. They carry a higher risk of profitability than an electric company, which generates its income from a steady stream of customers who buy electricity no matter what the economic environment is like.

B. Risk of Loss - continued

Currency Risk

Overseas investments are subject to fluctuations in the value of the dollar against the currency of the investment's originating country. This is also referred to as exchange rate risk.

Reinvestment Risk

This is the risk that future proceeds from investments may have to be reinvested at a potentially lower rate of return (i.e. interest rate). This primarily relates to fixed income securities.

Liquidity Risk

Liquidity is the ability to readily convert an investment into cash. Generally, assets are more liquid if many traders are interested in standardized product. For example, Treasury Bills are highly liquid, while real estate properties are not.

Financial Risk

Excessive borrowing to finance a business' operations increases the risk of profitability, because the company must meet the terms of its obligations in good times and bad. During periods of financial stress, the inability to meet loan obligations may result in bankruptcy and/or a declining market value.

Key Person Risk

The success of a Client's investment portfolio depends on efforts of the portfolio manager team. If a portfolio manager on the team ceases to be responsible for the Client's portfolio selection, the Client's portfolio could be adversely affected.

Investment Selection Risk

The success of a Client's investment portfolio strategy depends on the management, skill, and acumen of Avatar's portfolio managers.

Past performance is not a guarantee of future returns. Investing in securities and other investments involve a risk of loss that each Client should understand and be willing to bear. Clients are reminded to discuss these risks with the Advisor. For more information on our investment management services, please contact us at (212) 624-1900.

Item 9 – Disciplinary Information

There are no legal, regulatory or disciplinary events involving Avatar or any of its employees. Avatar and its advisory personnel value the trust you place in us. As we advise all Clients, we encourage you to perform the requisite due diligence on any advisor or service provider in which you partner. Our backgrounds are on the Investment Adviser Public Disclosure website at www.adviserinfo.sec.gov. To review the firm information contained in ADV Part 1, select the option for Investment Adviser Firm and enter **158834** in the field labeled "Firm IARD/CRD Number". This will provide access to Form ADV Parts 1 and 2. Item 11 of the ADV Part 1 lists legal and disciplinary questions.

Item 10 – Other Financial Industry Activities and Affiliations

The sole business of Avatar and Ms. Cohen is to provide investment advisory services to its Clients. Neither Avatar nor its advisory personnel are involved in other business endeavors. Avatar does not maintain any affiliations with other firms, other than contracted service providers to assist with the servicing of its Client's accounts.

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

A. Code of Ethics

Avatar has implemented a Code of Ethics that defines our fiduciary commitment to each Client. This Code of Ethics applies to all persons associated with Avatar. The Code of Ethics was developed to provide general ethical guidelines and specific instructions regarding our duties to you, our Client. Avatar and its personnel owe a duty of loyalty, fairness and good faith towards each Client. It is the obligation of Avatar associates to adhere not only to the specific provisions of the Code, but also to the general principles that guide the Code. The Code of Ethics covers a range of topics that may include; general ethical principles, reporting personal securities trading, reportable securities, initial public offerings and private placements, reporting ethical violations, distribution of the Code of Ethics, review and enforcement processes, amendments to Form ADV and supervisory procedures. Avatar has written its Code of Ethics to meet and exceed regulatory standards. To request a copy of our Code of Ethics, please contact us at (212) 624-1900.

B. Personal Trading with Material Interest

Avatar allows our employees to purchase or sell the same securities that may be recommended to and purchased on behalf of Clients. Avatar does not act as principal in any transactions. In addition, the Advisor does not act as the general partner of a private fund. Avatar serves as the manager to Avatar mutual funds, which are offered to Clients in included in other Avatar strategies.

C. Personal Trading in Same Securities as Clients

Avatar allows our employees to purchase or sell the same securities that may be recommended to and purchased on behalf of Clients. Owning the same securities we recommend (purchase or sell) to you presents a potential conflict of interest that, as fiduciaries, we must disclose to you and mitigate through policies and procedures. As noted above, we have adopted, consistent with Section 204A of the Investment Advisers Act of 1940, a Code of Ethics, which addresses insider trading (material non-public information controls) and personal securities reporting procedures. We have also adopted written policies and procedures to detect the misuse of material, non-public information. We may have an interest or position in certain securities, which may also be recommended to you.

In addition the Code of Ethics governs Gifts and Entertainment given by and provided to the Advisor, outside employment activities of employees, Employee reporting, sanctions for violations of the Code of Ethics, and records retention requirements for various aspects of the Code of Ethics.

D. Personal Trading at Same Time as Client

While Avatar allows our employees to purchase or sell the same securities that may be recommended to and purchased on behalf of Clients, these trades do not occur at the same time. Avatar will place trades only after Client orders have been placed and filled.

At no time, will Avatar or any associated person of Avatar, transact in any security to the detriment of any Client.

Item 12 – Brokerage Practices

A. Recommendation of Custodian[s]

Avatar does not have discretionary authority to select the broker-dealer / custodian for custodial and execution services or the administrator for defined contribution accounts. The Client will select the broker-dealer or custodian (herein the "custodian") to safeguard Client assets and authorize Avatar to direct trades to this custodian as agreed in the Investment Advisory Agreement. Further, Avatar does not have the discretionary authority to negotiate commissions on behalf of our Clients on a trade-by-trade basis.

Where Avatar does not exercise discretion over the selection of the custodian, it may recommend the custodian[s] to Clients for execution and/or custodial services. Clients are not obligated to use the recommended custodian and will not incur any extra fee or cost associated with using a broker not recommended by Avatar.

A. Recommendation of Custodian[s] - continued

Avatar may recommend a custodian based on criteria such as, but not limited to, reasonableness of commissions charged to the Client, services made available to the Client, and location of the custodian's offices. Avatar does not receive research services, other products, or compensation as a result of recommending a particular broker that may result in the Client paying higher commissions than those obtainable through other brokers.

While we recommend that you use a qualified custodian as custodian/broker, you will decide whether to do so and will open your account with a qualified custodian by entering into an account agreement directly with them. We do not open the account for you, although we may assist you in doing so. A qualified custodian may require you to use their services to execute trades for your account.

Following are additional details regarding the brokerage practices of the Advisor:

1. Soft Dollars - Soft dollars are revenue programs offered by broker-dealers whereby an advisor enters into an agreement to place security trades with the broker in exchange for research and other services. Avatar participates in a soft dollar commission sharing program with certain broker-dealers in which Avatar conducts its business. A part of this arrangement, the broker-dealer provides Avatar with execution and research credits, which offset costs of services. This arrangement has been established following the guidelines set forth under Section 28(e) of the Securities Exchange Act of 1934.

2. Brokerage Referrals - Avatar does not receive any compensation from any third party in connection with the recommendation for establishing a brokerage account.

3. Directed Brokerage - All Clients are serviced on a "directed brokerage basis", where Avatar will place trades within the established account[s] at the custodian designated by the Client. Further, all Client accounts are traded within their respective brokerage account[s]. The Advisor will not engage in any principal transactions (i.e., trade of any security from or to the Advisor's own account) or cross transactions with other Client accounts (i.e., purchase of a security into one Client account from another Client's account[s]). In selecting the custodian, Avatar will not be obligated to select competitive bids on securities transactions and does not have an obligation to seek the lowest available transaction costs. These costs are determined by the designated custodian.

B. Aggregating and Allocating Trades

The primary objective in placing orders for the purchase and sale of securities for Client accounts is to obtain the most favorable net results taking into account such factors as 1) price, 2) size of order, 3) difficulty of execution, 4) confidentiality and 5) skill required of the broker. Avatar will execute its transactions through an unaffiliated broker-dealer selected by the Client. Avatar may aggregate orders in a block trade or trades when securities are purchased or sold through the same broker-dealer for multiple (discretionary) accounts. If a block trade cannot be executed in full at the same price or time, the securities actually purchased or sold by the close of each business day must be allocated in a manner that is consistent with the initial pre-allocation or other written statement. This must be done in a way that does not consistently advantage or disadvantage particular Client accounts.

Item 13 – Review of Accounts

A. Frequency of Reviews

Accounts are monitored on a regular and continuous basis by portfolio managers of Avatar. Formal reviews are generally conducted at least annually or more or less frequently depending on the needs of the Client.

B. Causes for Reviews

In addition to the investment monitoring noted in Item 13.A., each Client account shall be reviewed at least annually. Reviews may be conducted more or less frequently at the Client's request. Accounts may be reviewed as a result of major changes in economic conditions, known changes in the Client's financial situation, and/or large deposits or withdrawals in the Client's account. The Client is encouraged to notify Avatar if changes occur in his/her personal financial situation that might adversely affect his/her investment plan. Additional reviews may be triggered by material market, economic or political events.

C. Review Reports

The Client will receive brokerage statements no less than quarterly from the trustee or custodian. These brokerage statements are sent directly from the custodian to the Client. The Client may also establish electronic access to the custodian's website so that the Client may view these reports and their account activity. Client brokerage statements will include all positions, transactions and fees relating to the Client's account[s]. The Advisor may also provide Clients with periodic reports regarding their holdings, allocations, and performance.

Avatar distributes to Clients and prospective clients the "Avatar Advisor", a market outlook letter, to keep them apprised of Avatar's thoughts. This is a fundamental part of our service and no separate fee is charged for the Avatar Advisor. The Avatar Advisor has been published for over 35 years.

For Clients in wrap accounts, Clients receive reports from their qualified custodian.

Item 14 - Client Referrals and Other Compensation

A. Compensation Received by Avatar

Avatar is a fee-only advisory firm, who, in all circumstances, is compensated solely by the Client. Avatar does not receive commissions or other compensation from product sponsors, broker dealers or any un-related third party. Avatar may refer Clients to various third parties to provide certain financial services necessary to meet the goals of its Clients. Likewise, Avatar may receive referrals of new Clients from a third-party.

Avatar also serves as the portfolio manager of the Avatar mutual funds, where additional compensation may be received if a Client investments in one or more of the funds, either directly or indirectly.

Participation in Institutional Advisor Platform(s)

Avatar receives an economic benefit from broker-dealers in the form of the support products and services it makes available to Avatar and other independent investment advisors whose Clients maintain their accounts. These products and services, how they benefit us, and the related conflicts of interest are described above.

B. Client Referrals from Solicitors

Avatar may compensate third parties for referrals of Clients to Avatar by paying to the third party a portion of the advisory fee received from Clients introduced by the third party. These arrangements will be disclosed to Clients in accordance with Rule 206(4)-3 under the Investment Advisers Act of 1940, as amended. Any referral fees paid by Avatar should not cause such client's Management Fee to be increased. In order to avoid any conflicts of interest Avatar complies with the requirements of Rule 206(4)-3 including having a written agreement with each solicitor, requiring having solicitor deliver to the Client, at the time of his or her solicitation activities, copies of Part 2A of Avatar's current Form ADV, and a separate written disclosure document containing the name of the solicitor, the nature of the relationship, a statement that the solicitor will be compensated for his or her solicitation activities, the terms of compensation arrangement, and a statement that any referral fees paid by Avatar should not cause such Client's Management Fee to be increased. Avatar obtains from the Client a signed and dated acknowledgment of the Client's receipt of the disclosures.

Item 15 – Custody

Avatar does not accept or maintain custody of any Client accounts. All Clients must place their assets with a qualified custodian. Clients are required to select their own custodian to retain their funds and securities and direct Avatar to utilize that custodian for the Client's security transactions. Avatar encourages Clients to review statements provided by account custodian. For more information about custodians and brokerage practices, see Item 12 - Brokerage Practices.

Item 16 – Investment Discretion

Avatar generally has discretion over the selection and amount of securities to be bought or sold in Client accounts without obtaining prior written consent or approval from the Client. However, these purchases or sales may be subject to specified investment objectives, guidelines, or limitations previously set forth by the Client and agreed to by Avatar. Discretionary authority will only be authorized upon full disclosure to the Client. The granting of such authority will be evidenced by the Client's execution of an Investment Advisory Agreement containing all applicable limitations to such authority. All discretionary trades made by Avatar will be in accordance with each Client's investment objectives and goals.

Item 17 – Voting Client Securities

Unless the Client designates otherwise, Avatar votes proxies for securities over which it maintains discretionary authority consistent with its proxy voting policy.

Avatar may act as an investment manager for advisory Clients, which are governed by the Employment Retirement Income Security Act (ERISA). As an investment manager and a fiduciary with special responsibilities under ERISA, and as a matter of policy, Avatar is responsible for acting solely in the interests of the plan participants and beneficiaries. Avatar's policy includes managing Client assets consistent with the "prudent man rule," exercising proxy voting authority if not retained by a plan fiduciary, maintaining any ERISA bonding that may be required, and obtaining written investment guidelines/policy statements, as appropriate.

Item 18 – Financial Information

Neither Avatar, nor its management has any adverse financial situations that would reasonably impair the ability of Avatar to meet all obligations to its Clients. Neither Avatar, nor any of its advisory persons, has been subject to a bankruptcy or financial compromise. Avatar is not required to deliver a balance sheet along with this Disclosure Brochure as the firm does not collect advance fees for services to be performed six months or more in advance.

Privacy Policy

Effective: January 1, 2013

Our Commitment to You

Momentum Investment Partners, LLC d/b/a Avatar Investment Management ("Avatar") is committed to safeguarding the use of your personal information that we have as your Investment Advisor. Avatar (referred to as "we", "our" and "us" throughout this notice) protects the security and confidentiality of the personal information we have and make efforts to ensure that such information is used for proper business purposes in connection with the management or servicing of your account. Our relationship with you is our most important asset. We understand that you have entrusted us with your private information, and we do everything we can to maintain that trust.

We do not sell your non-public personal information to anyone. Nor does Avatar provide such information to others except for discrete and proper business purposes in connection with the servicing and management of your account as discussed below.

Details of our approach to privacy and how your personal non-public information is collected and used are set forth in this privacy policy.

The Information We Collect About You

You typically provide personal information when you complete the paperwork required to become our Client. This information may include you:

• Name and address	• Assets
• E-mail address	• Income
• Phone number	• Account balance
• Social security or taxpayer identification number	• Investment activity
	• Accounts at other institutions

In addition, we may collect non-public information about you from the following sources:

- Information we receive on Brokerage Agreements, Managed Account Agreements and other Subscription and Account Opening Documents;
- Information we receive in the course of establishing a customer relationship including, but not limited to, applications, forms, and questionnaires;
- Information about your transactions with us or others

Information About You That Avatar Shares

Avatar works to provide products and services that benefit our customers. We may share non-public personal information with non-affiliated third parties (such as brokers and custodians) as necessary for us to provide agreed services and products to you consistent with applicable law. We may also disclose non-public personal information to other financial institutions with whom we have joint business arrangements for proper business purposes in connection with the management or servicing of your account. In addition, your non-public personal information may also be disclosed to you, persons we believe to be your authorized agent or representative, regulators in order to satisfy Avatar's regulatory obligations, and is otherwise required or permitted by law. Lastly, we may disclose your non-public personal information to companies we hire to help administrate our business. Companies we hire to provide services of this kind are not allowed to use your personal information for their own purposes and are contractually obligated to maintain strict confidentiality. We limit their use of your personal information to the performance of the specific service we have requested.

To repeat, we do not sell your non-public personal information to anyone.

Information About Former Clients

Avatar does not disclose, and does not intend to disclose, non-public personal information to non-affiliated third parties with respect to persons who are no longer our clients.

Confidentiality and Security

Our employees are advised about the firm's need to respect the confidentiality of our customers' non-public personal information. Additionally, we maintain physical, procedural and electronic safeguards in an effort to protect the information from access by unauthorized parties.

We'll Keep You Informed

We will send you notice of our privacy policy annually for as long as you maintain an ongoing relationship with us. Periodically we may revise our privacy policy, and will provide you with a revised policy if the changes materially alter the previous privacy policy. We will not, however, revise our privacy policy to permit the sharing of non-public personal information other than as described in this notice unless we first notify you and provide you with an opportunity to prevent the information sharing. You may obtain a copy of our current privacy policy by contacting us at (212) 624-1900.