

Item 1: Cover Page

FIRM BROCHURE  
Part 2A of Form ADV  
PREPARED IN COMPLIANCE WITH  
THE INVESTMENT ADVISERS ACT OF 1940 RULE 204-3(A)

ROBOTIC TRADING ADVISORS, LLC

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December 21, 2015

This brochure provides information about the qualifications and business practices of Robotic Trading Advisors, LLC. If you have any questions about the contents of this brochure, please contact us at (855) 207-2276. 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. Registration as an investment advisor does not imply a certain level of skill or training.

Additional information about Robotic Trading Advisors, LLC (IARD#168687) also is available on the SEC's website at [www.adviserinfo.sec.gov](http://www.adviserinfo.sec.gov).

## Item 2: Material Changes

### **Annual Update**

The Material Changes section of this brochure will be updated annually or when material changes occur since the previous release of the Firm Brochure.

### **Material Changes since the Last Update**

Since the last update of this brochure on June 16, 23015 the following changes have occurred:

1. Item 4, Client Assets Under Management have been updated to disclose the firm's most current calculation.
2. Item 10 "Material Relationships Maintained by this Advisory Business and Conflicts of Interest", have been updated to remove reference to Mr. Williams and include information for Mr. Nicholas Rausch.
3. Item 13 "Client Account Review Frequency" has been updated to remove reference to Mr. Williams and include information for Mr. Nicholas Rausch.

### **Full Brochure Available**

The Firm Brochure being delivered is the complete brochure for the Firm.

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## Item 4: Advisory Business

### About Robotic Trading Advisors, LLC

Robotic Trading Advisors, LLC ("RTA") is a Delaware limited liability company founded in May 10, 2013. Mr. Eric Williams and Mr. Cary Flanders are majority owners. RTA is a registered investment advisor with its home office located at 4835 E. Cactus Road, Suite 440, Scottsdale, AZ 85254. RTA's telephone number at such address is (855) 207-2276. Registration as an investment advisor does not imply a certain level of skill or training.

### Advisory Services RTA Offers

Prior to forming an investment advisor-client relationship, RTA may offer complimentary general consultation to prospective clients to discuss the nature of its services and to determine the possibility of potential advisory relationship. Investment advisory services only begin after the prospective Client and RTA formalize their relationship in a written advisory agreement.

### ***Separately Managed Account Program - Discretionary Authority***

RTA offers continuous discretionary portfolio management services to individuals and non-natural person Clients through its separately managed account program (the "SMA Program"). In participating in the SMA Program, the Client retains RTA to provide customized asset management services which are based upon the Client's unique investment goals and objectives, investment time horizon, risk tolerance, and other factors as may be described in this Item 4.

Services provided by RTA in connection with its SMA Program are provided under the terms of a written SMA Program Advisory Agreement between RTA and the Client. The following is a description of the terms and conditions generally applicable to all SMA Program accounts:

*Discretionary Authority to Manage Account:* Where a Client has retained RTA to manage their SMA Program account on a discretionary basis, the Client will provide such authority in a written SMA Program Advisory Agreement. Under such agreement, RTA is granted the authority to determine the particular securities to be bought or sold and the amount of the securities to be bought or sold in the Client's account(s) without the Client's approval prior to each transaction. Notwithstanding the foregoing, Clients may limit the scope of RTA's discretionary authority (for example, limiting the types of securities or amounts of particular securities that can be purchased for the Client's account) by providing RTA with such restrictions and guidelines in writing. It is the Client's responsibility to advise RTA in writing of any material change in his or her financial circumstances which may give rise to the need to amend the Client's particular investment strategy.

*"CoolTrade" Software - Customized Investment Program:* RTA will generally meet and work with each Client individually to determine that Client's portfolio needs and limitations. Clients may be requested to fill out certain questionnaires to better assist RTA in making such determination. Based on the information shared by the Client, RTA will recommend an appropriate "base model portfolio" from the following selections:

- CoolTrade Aggressive Growth Model
- CoolTrade Income Model
- CoolTrade Capital Preservation Model

Trading of Client SMA Program assets shall generally be conducted by RTA using CoolTrade™, a fully automated trading platform. (“CoolTrade” or “CoolTrade Software”) designed and sold by affiliates of RTA. The optimal selection of securities to be traded in the Client’s account(s) is generated by statistical algorithms utilized by the fully automated processes within the CoolTrade Software. By adjusting the risk parameters, entry and exit rules, profits goals, exit goals, and a host of other technical indicator settings within CoolTrade, RTA creates a customized investment program for the Client. The statistical information generated by these processes supports both long term trading (holding positions for many days, weeks, months) and short term trading (day trading) methods within the base model portfolios. Trades are executed (buy/sell, long/short) at the appropriate brokerage firms with minimal, if any, human intervention.

Following the selection of a base model portfolio, RTA shall further customize on an ongoing basis the asset allocation and investment strategy to be used in its management of the Client’s account in a manner which comports with the Client’s particular financial circumstances, goals, and risk tolerance. Thereafter, RTA will implement this customized investment plan, working directly with each Client.

The assets traded within a Client’s SMA Program account are expected to be limited to liquid securities generally traded on public markets (equities on, for example, the U.S. AMEX, NASDAQ, and NYSE exchanges), but may include, without limitation, a mix of securities consisting of exchange traded funds (“ETFs”), mutual funds, bonds, equity options and index options. RTA intends to provide its Clients with investment advisory and portfolio management services regarding securities only. Upon written Client request, RTA can work alongside and with the Client’s other financial advisor(s) to provide an investment experience that complements the Client’s overall investment picture.

*Selection of Broker:* As a condition of participation in the SMA Program, Clients are required to independently enter into a brokerage relationship with Interactive Brokers, LLC, 2 Pickwick Plaza, Greenwich, Connecticut 06830; 877-442-2757;

*Acquisition of CoolTrade Software License by Client:* Required Clients are advised that a condition of participation in RTA’s CoolTrade SMA Program is that the Client must independently obtain the CoolTrade Software or the rights to access the same. Clients are again advised that the CoolTrade software has been designed and is sold by RTA’s affiliates, which may share some or all of the same executive management personnel. Accordingly, the principals of RTA will receive compensation in connection with the licensing of CoolTrade software to RTA’s Clients.

*Hosting of CoolTrade Software in the cloud:* Clients are advised that as a condition of participation in RTA’s CoolTrade SMA Program, the client must independently obtain a virtual private server provided by a cloud hoster. Upon securing the virtual private server, RTA will load the Client’s CoolTrade Software into the cloud and operate the CoolTrade Software on behalf of the client. RTA will manage the client’s CoolTrade Software in the cloud. RTA assists clients by making recommendations as to the cloud hosters which provide acceptable service levels of hosting which are consistent

with the technical requirements of running CoolTrade Software in the cloud.

### ***“CoolTrade” Advisory Program***

RTA separately offers its CoolTrade Advisory Program to Clients on hourly fee basis (“CoolTrade Advisory Program”). All Services provided by RTA in connection with its CoolTrade Advisory Program are provided under the terms of a written CoolTrade Advisory Program Agreement between RTA and the Client and are non-discretionary in nature.

*CoolTrade Software Advisory:* For hourly or flat monthly fees, RTA will provide independent users of the CoolTrade Software with consultations and recommendations concerning the use of the software generally, and with respect to the design, customization, modification, and implementation of a customized investment strategy. RTA will generally work with each Client individually to determine that Client’s portfolio needs and limitations. Clients may be requested to fill out certain questionnaires to better assist RTA in making such determination. Based on the information shared by the Client, RTA will recommend a customized investment strategy (or changes to a Client’s pre-existing CoolTrade strategy) and provide appropriate technical instructions to assist the client in implementing the instructions to assist the client in implementing the recommended changes into the CoolTrade Software

*Non-Discretionary Nature of Recommendations:* All recommendations provided to the Client as part of the CoolTrade Advisory Program are non-discretionary in nature, and the implementation of RTA’s recommendations is a matter determined within the sole discretion of the Client. Accordingly, the Client is solely responsible for the results of all transactions which occur in its account(s). It is the Client’s responsibility to monitor and manage his account(s) on an ongoing basis and to make changes as necessary to address his particular financial circumstances as the same may change from time to time.

*Selection of Broker:* After participating in the CoolTrade Advisory Program, Clients may run the CoolTrade Software in simulation mode or they may “live trade” with their funds. In order to “live trade” using CoolTrade Software, clients must link their CoolTrade Software to one of the following brokerage firms (“Broker”):

1. Interactive Brokers, LLC, 2 Pickwick Plaza, Greenwich, Connecticut 06830; 877-442-2757;
2. TD Ameritrade, Inc., 200 South 108th Avenue Omaha, Nebraska 68154; 866-669-3900;
3. E\*TRADE Securities LLC, Harborside Financial Center, 501 Plaza 2, 34 Exchange Place, Jersey City, New Jersey 07311; 1-800-ETRADE-1;
4. OptionsHouse, LLC 141 West Jackson Boulevard, Suite 800, Chicago, Illinois 60604; 877-653-2500;
5. Tradeking, 13024 Ballantyne Corporate Place, Suite 500 Charlotte, North Carolina 28277; 877-495-5464;
6. MB Trading, 1926 East Maple Avenue, El Segundo, California 90245; 866-628-3001.

*Acquisition of CoolTrade Software License by Client:* Required Clients are advised that a condition of participation in RTA’s CoolTrade Advisory Program is that the Client

must independently obtain the CoolTrade Software or the rights to access the same. Clients are again advised that the CoolTrade software has been designed and is sold by RTA's affiliates, which may share some or all of the same executive management personnel. Accordingly, the principals of RTA will receive compensation in connection with the licensing of CoolTrade software to RTA's Clients.

#### Client-Tailored Advisory Services

As aforementioned, RTA personalizes and customizes the portfolios of Clients participating in its SMA Program. As an additional offering, RTA provides tailored investment strategies to Clients participating in its CoolTrade Advisory Program. In line with this level of personalization and customization, in the case of an SMA Program account, Clients may impose restrictions on RTA with respect to investing in certain securities or types of securities. Furthermore, Clients participating in the SMA Program may specifically request in writing that RTA make certain investments which may not be in line with the selected base model portfolio or their particular financial circumstances.

#### Wrap Fee Programs

RTA does not participate in or sponsor wrap fee programs.

#### Client Assets Under Management

As of December 21, 2015, RTA has approximately \$3,240,251 in Client Assets Under Management on a discretionary basis and \$16,097,560 on a non-discretionary basis.

### Item 5: Fees and Compensation

#### RTA's Advisory Fees

The following general disclosures regarding the nature of RTA's advisory fees are broken down according to each of its respective service offerings.

#### ***SMA Program - Asset Based Management Fee***

Clients participating in RTA's SMA Program will be charged management fees based on a percentage of the assets under RTA's management as reported on the account statements provided by the Client's Broker ("Management Fee"). The Management Fee is paid daily based on the annualized rates shown in the table below:

Account Value	Annual Management Fee
\$0 to \$250,000	2.50%
\$250,001 to \$500,000	2.00%
\$500,001 to \$1,000,000	1.50%
Over \$1,000,000	Negotiable

SMA program fees are based on the net asset value (NAV) at the close of the market. The SMA program fee is calculated as an annual percentage of the NAV. Cash balances and investments in money market funds, demand deposit accounts, and certificates of deposit at banks or brokerage firms are included for purposes of calculating the Management Fee applicable to a Client account. All Management Fees will be directly debited from Client accounts pursuant to the authorization of the Client contained in the written SMA Program Advisory Agreement.

Under some circumstances subject to RTA's absolute discretion, RTA's fees may be

lower than the above rate schedule and can be negotiated. Accordingly, rates may vary based on a variety of factors. For example, in determining fees, rates, and minimums, RTA may aggregate related accounts and, for billing purposes, treat them as a single account, or may individually negotiate fees based on its relationship with a particular prospective Client.

RTA does not charge performance-based fees of any kind. Fees for services to be performed will not be collected six or more months in advance. RTA may, from time to time, unilaterally amend its fee structure and billing arrangements. Any change will only become effective after forty-five (45) days prior written notice to the Client.

A Client may terminate an SMA Program Advisory Agreement for any reason within the first five (5) business days after signing the contract, without any cost or penalty. Thereafter, the contract may be terminated at any time by either party upon thirty (30) days written notice, without any cost or penalty. Upon notice of termination, where fees may be charged in advance, such fees will be prorated based upon the number of days that RTA's advisory services were actually rendered during the termination day. Any unearned fees will be returned to the Client.

### ***CoolTrade Advisory Program***

RTA's CoolTrade Advisory Program services are provided for hourly or fixed monthly fees in accordance with the following:

**Hourly Fees:** RTA assesses a negotiable hourly rate of up to \$250.00 an hour, for its CoolTrade Advisory Program services, including development of an initial customized CoolTrade investment strategy and/or the modification of a Client's existing CoolTrade investment strategy. The number of hours required to complete CoolTrade Advisory Program services will vary depending upon the complexity of the Client's financial situation (including the time required for preparation and research) and the Client's specific investment goals, with at least half of any expected fee payable in advance and the balance due upon completion. Following an initial review of the Client's financial circumstances and any pre-existing CoolTrade investment strategy currently used by the Client, RTA will provide the Client with a written good faith estimate of the time required by RTA to develop, design, and/or adjust the Client's CoolTrade investment strategy. Notwithstanding the foregoing RTA reserves the right to negotiate its hourly fees on a per-Client basis.

**Monthly Fixed Fees:** Separately, as may be agreed with the Client, RTA may instead provide services under its CoolTrade Advisory Program on a monthly basis for fixed fees, payable monthly, in advance, at a rate to be negotiated individually with the Client.

All fees for CoolTrade Advisory Program services are agreed upon in advance in writing. Individually negotiated fees (whether the Client elects to be billed hourly or monthly) shall be based upon, among other factors, the client's account size, complexity of financial circumstances, or any other factor chosen in RTA's sole discretion.

Except as may otherwise be agreed with the Client, all CoolTrade Advisory Program services are expected to be completed within twenty (20) days of the date of the Client's execution of a CoolTrade Advisory Program Agreement.

A Client may terminate a CoolTrade Advisory Program Agreement for any reason



within the first five (5) business days after signing the contract, without any cost or penalty. Thereafter, the contract may be terminated at any time by either party upon ten (10) days written notice, without any penalty. Upon notice of termination, where hourly fees were charged in advance, such fees will be prorated based upon the number of hours that services were actually rendered, with the Client receiving a refund of any excess advance payment. Upon notice of termination, where regular monthly fees were charged in advance, such fees will be prorated based upon the number of hours that services were actually rendered at a rate of \$250 per hour, with the Client receiving a refund of any excess advance payment.

#### Prepayment of Client Fees

Except as explicitly set forth herein, RTA does not charge Clients fees in advance.

#### Additional Client Fees

In addition to and separate and apart from any fees charged by RTA, Clients should be aware that they are also responsible for (1) any custodial and/or transactional expenses that may be charged by the custodians and/or Brokers which maintain custody of their assets and (2) all fees and expenses charged by the underlying securities held in their accounts (such as mutual funds and/or Exchange Traded Funds (“ETFs”).

#### Compensation to RTA and its Personnel for the Sale of Securities

Neither RTA nor any of its personnel receive direct compensation for the sale of any securities.

Neither RTA nor its management receives commissions on the basis of the sale of any securities. Further, neither RTA nor its management receive compensation arising from markups on sales of securities

### Item 6: Performance-Based Fees and Side-by-Side Management

The RTA does not charge performance-based fees.

RTA does not presently and does not intend in the future to manage client accounts other than the SMA Program accounts. However, RTA’s management may manage accounts which belong either to themselves, individually, or to their family (collectively, “Proprietary Accounts”) or the accounts of affiliated entities (“Affiliated Accounts”) while simultaneously continuing to manage RTA’s SMA Program accounts. It is possible that orders for Proprietary Accounts or Affiliated Accounts may be entered in advance of or opposite to orders for Clients’ accounts, pursuant to, for instance, a neutral allocation system, a different trading strategy, or trading at a different risk level. The management of any Proprietary Account or Affiliated Account is subject to the duty of RTA and its personnel to exercise good faith and fairness in all matters affecting its Clients’ accounts.

### Item 7 Types of Clients

RTA’s clients consist primarily of individuals, but may also include institutional clients, partnerships, corporations, charitable organizations, trusts, and employee benefit plan sponsors. RTA does not require a minimum account size.

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

### Overview of Investment Strategies and Methods of Analysis Used by RTA

RTA does not subscribe to any particular method of analysis or investment strategy. It strives to develop appropriate investment strategies according to a Client's goals, risk tolerance and objectives. The Advisor may use any of the following methods of analysis in formulating investment advice and/or managing Client Assets:

*Charting:* In this type of technical analysis, we review charts of market and securities activity in an attempt to identify when the market is moving up or down and to predict how long the trend may last and when that trend might reverse.

*Fundamental Analysis:* We attempt to measure the intrinsic value of securities of particular companies by looking at economic and financial factors (including the overall economy, industry specific conditions, and the financial condition and management of specific companies) to determine if such securities are underpriced (indicating it may be a good time to buy) or overpriced (indicating it may be time to sell). Fundamental analysis does not attempt to anticipate market movements. This presents a potential risk, as the price of a security can move up or down along with the overall market regardless of the economic and financial factors considered in evaluating particular securities.

*Technical Analysis:* We analyze past market movements and apply that analysis to the present in an attempt to recognize recurring patterns of investor behavior and potentially predict future price movement. Technical analysis does not consider the underlying financial condition of a company. This presents a risk in that a poorly-managed or financially unsound company may underperform regardless of overall market movement.

### General Investment Risks

All investments bear different types and degrees of risk and investing in securities involves risk of loss that Clients should be prepared to bear. While we recommend various securities that are designed to provide appropriate investment diversification, some investments have significantly greater risks than others. Obtaining higher rates of return on investments entails accepting higher levels of risk. Recommended investment strategies seek to balance risks and rewards to achieve investment objectives. Clients need to ask questions about risks they do not understand. We would be pleased to discuss them.

We strive to render our best judgment on behalf of our Clients. Still, we cannot assure or guarantee Clients that recommended investments will be profitable or assure that no losses will occur in an investment portfolio. Past performance is an important consideration with respect to any investment or investment adviser but is not a reliable predictor of future performance. We continuously strive to provide outstanding long-term investment performance, but many economic and market variables beyond our control can affect the performance of an investment portfolio.

An investment could lose money over short or even long periods. A Client should expect his/her account value and returns to fluctuate within a wide range, like the fluctuations of the overall stock and bond markets.

### Specific Risks Associated with RTA's Investment Strategy and Methods

What follows is an overview of the investment risks associated with engaging in

investment activity of the type RTA anticipates employing in managing the assets of its Clients.

*Stop-Loss Orders:* Placing contingent orders, such as “stop-loss” or “stop-limit” orders, will not necessarily limit the losses to the intended amounts, since market conditions, which can become extraordinarily volatile, may make it impossible to execute such orders. All positions involve risk, and strategies using combinations of positions, such as “spread” and “straddle” positions, may be as risky as taking simple “long” or “short” positions.

*Leverage:* Client accounts may borrow money from banks, brokerage firms, and other institutions, commonly known as margin, at prevailing interest rates and invest such funds in additional securities. Gains made with additional funds borrowed will generally allow the value of the leveraged account to rise faster than could be the case without borrowing. Conversely, if investment results fail to cover the cost of borrowing, the value of the leveraged account could decrease faster than if there had been no borrowing. In connection with borrowing limited by applicable margin limitations imposed by the Federal Reserve Board, borrowing may be reduced on a timely basis in the event the value of the leveraged account falls below the coverage requirement of the margin limitations. In the event of such a required reduction of borrowing, the securities positions held in the account may need to be liquidated at times when it might not be desirable or advantageous to do so.

*Use of “Portfolio Margin”:* The assets of Client accounts may also be leveraged using a type of margin called “portfolio margin.” Portfolio margin sets margin requirements for a securities account based upon a determination of the net risk of all positions in the account, giving effect to all potentially offsetting positions. Portfolio margin uses computer models to set margin requirements based on the greatest potential net loss on all of the positions in the account, assuming various simulated market movements and taking offsetting positions into account. Allowing a broker-dealer to set margin requirements based on a value at risk calculation will ordinarily result in greater leverage for the customer. Depending on the particular positions maintained, the reduction in required margin could exceed 90%. With such accounts, broker-dealers extend credit to certain qualified customers without being bound to limitations on such margin activities imposed by Regulation T and existing exchange margin rules. Greater leverage entails a greater potential for quicker gain, but also additionally increases the risk of loss.

*Short Sales:* The assets held in Client accounts may be used in short sale transactions. Short selling of instruments can result in profits when the prices of instruments sold short decline, and positions sold short may increase in value in a declining market. In a generally rising market, however, short positions may be more likely to result in losses because the environment may be more conducive for the instruments sold short to increase in value. A short sale involves the theoretically unlimited risk of loss through an unlimited increase in the market price of an instrument sold short.

*Investing in Options:* RTA may recommend or direct the purchase or sale of put or call options, covered and uncovered. The purchaser of a put or call option runs the risk of losing its entire investment in a relatively short period of time. The uncovered writer of a call option is subject to a risk of loss should the price of the underlying instrument

increase, and the uncovered writer of a put option who does not have an equivalent short position in the underlying instrument is subject to a risk of loss should the price of the underlying instrument decrease. The writer of a call option who owns the underlying instrument, and the writer of put option who has a short position in the underlying instrument, are subject to the full risk of their respective positions in the underlying instrument; in exchange for the premium, so long as such persons remain writers of options, they have given up the opportunity for gain resulting from, in the case of a call option writer, an increase in the price of the underlying instrument above the exercise price, or, in the case of a put option writer, a decrease in the price of the underlying instrument below the exercise point.

There are special risks associated with uncovered option writing, which expose the investor to potentially significant loss. Therefore, this type of strategy may not be suitable for all customers approved for options transactions. The potential loss of uncovered call writing is unlimited. The writer of an uncovered call is in an extremely risky position, and may incur large losses if the value of the underlying instrument increases above the exercise price. As with writing uncovered calls, the risk of writing uncovered put options bears a risk of loss if the value of the underlying instrument declines below the exercise price. Such loss could be substantial if there is a significant decline in the value of the underlying instrument.

*Overall Investment Risk:* The level of analytical sophistication as well as the level of computer hardware and systems necessary for successful trading and investing is unusually high. There is no assurance that RTA will correctly evaluate the nature and magnitude of the various factors that could affect trading prospects. There can be no guarantee that RTA's investment methods and strategies or any particular investment recommended or directed by RTA will prove profitable.

## Item 9: Disciplinary Information

### Criminal or Civil Actions

Neither RTA nor its management has been subject to any criminal or civil action proceedings.

### Administrative Enforcement Proceedings

Neither RTA nor its management has been subject to any administrative proceeding.

### Self-Regulatory Organization Enforcement Proceedings

Neither RTA nor its management have been subject to a self-regulatory organization proceeding.

## Item 10: Other Financial Industry Activities and Affiliations

### Registration as a Broker-Dealer or Registered Representative of a Broker-Dealer

Neither RTA nor its management are or intend to become registered as a broker-dealer or a registered representative of a broker-dealer.

### Futures or Commodities Registration

Neither RTA nor its management are or intend to become registered as a futures commission merchant, commodity pool operator, commodity trading advisor, or an associated person of any of the foregoing.

### Material Relationships Maintained by this Advisory Business and Conflicts of Interest

Mr. Rausch is actively engaged in the following non-investment related businesses and occupations in addition to his role with RTA.

Robotic Trading Systems - Robotic Trading Systems (“RTS”). RTS, an Arizona limited liability company, is an internet/software company that markets fully automated stock trading systems and technology.

As principal and manager of RTS, Mr. Rausch is responsible for managing capital relationships and strategic development. He devotes approximately 10-15 hours per month to his role with RTS.

### Recommendations or Selections of Other Investment Advisors and Conflicts of Interest

RTA does not recommend or select other investment advisors for clients.

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

### Code of Ethics

RTA subscribes to a Code of Ethics (the “Code”) which will be available to its clients upon request. This Code applies to RTA as well as any of its executive officers or other officers performing similar functions. The Code holds each such person responsible for promoting honest and ethical conduct, including the ethical handling of actual or apparent conflicts of interest between personal and professional relationships; fair disclosure to the SEC or other applicable regulatory agencies; and prompt reporting of violations of the Code to appropriate regulatory agencies.

### Securities Recommendations to Clients in Which Related Persons Have a Material Financial Interest

RTA does not recommend, buy or sell for Client accounts any securities in which RTA or any member of its management has a material financial interest.

### Investment by RTA and its Management in Securities Recommended to Clients

As discussed in Item 6, RTA’s management may trade Proprietary Accounts and Affiliated Accounts. Such Proprietary Accounts and Affiliated Accounts may make investments in the same securities RTA recommends and transacts in for its Clients. It is possible orders for securities for Proprietary Accounts and Affiliated Accounts may be entered in advance of or opposite to orders for Client accounts, pursuant to, for instance, a neutral allocation system, a different trading strategy, or trading at a different risk level. The management of any Proprietary Accounts or Affiliated Accounts is subject to the duty of RTA to exercise good faith and fairness in all matters affecting its Clients’ accounts.

### General Information about Conflicts of Interest

The overarching principle guiding RTA’s Code of Ethics and the application thereof with respect to conflicts of interest is that the personal interest of RTA or its management should not be placed improperly before the interest of RTA’s clients. More specifically, management personnel must not use their personal influence or personal relationship improperly to influence investment decisions of RTA’s clients whereby such member of management would benefit personally to the detriment of such clients or cause the clients to take action, or fail to take action, for the individual

personal benefit of RTA or any member of its management rather than the benefit of the clients.

## Item 12: Brokerage Practices

### Selection of Broker-Dealer Firms

RTA has the authority to determine the particular securities to be bought or sold, the amount of the securities to be bought or sold, and to limit the Client's selection of the broker or dealer to be used by the Client for discretionary all SMA Program accounts. Client's participating in RTA's non-discretionary CoolTrade Advisory Program are also limited to a selection of the below broker-dealers or may run their CoolTrade software in simulation mode. In particular, as a condition of participation in the SMA Program or the CoolTrade Advisory Program, Clients are required to maintain their brokerage account(s) at one of the following Brokers:

- Interactive Brokers, LLC, 2 Pickwick Plaza, Greenwich, Connecticut 06830; 877-442-2757
- TD Ameritrade, Inc., 200 South 108th Avenue Omaha, Nebraska 68154; 866-669-3900;
- E\*TRADE Securities LLC, Harborside Financial Center, 501 Plaza 2, 34 Exchange Place, Jersey City, New Jersey 07311; 1-800-ETRADE-1;
- OptionsHouse, LLC 141 West Jackson Boulevard, Suite 800, Chicago, Illinois 60604; 877-653-2500;
- Tradeking, 13024 Ballantyne Corporate Place, Suite 500 Charlotte, North Carolina 28277; 877-495-5464;
- MB Trading, 1926 East Maple Avenue, El Segundo, California 90245; 866-628-3001.

### Soft Dollar Benefits Currently Received

RTA does not receive any soft dollar benefits.

### Order Aggregation

From time to time, RTA may aggregate the purchase or sale of securities for more than one Client account. RTA will generally aggregate orders using the Brokers' respective systems for entering trades at the omnibus level. RTA will allocate fills resulting from aggregate orders in accordance with its internal policy regarding the same. Generally, such policy requires RTA to allocate aggregate order fills among and between participating Client accounts on a pro rata basis (i.e., to the extent each Client account participated in the aggregate order).

## Item 13: Review of Accounts

### Client Account Review Frequency

Client accounts in the SMA Program are reviewed on at least a monthly basis by Mr. Nicholas Rausch or the appropriate Investment Advisor Representative. Client accounts are reviewed for consistency with the intended investment strategy and expected performance. Client accounts participating in the CoolTrade Advisory Program will be reviewed as often as requested by the Client in the written CoolTrade Advisory Program Agreement.

#### Reports Provided to RTA's Clients

SMA Program Clients and CoolTrade Advisory Program Clients will have direct and continuous access to their accounts and the statements and related documents associated therewith via the Broker with which their accounts are held. Brokerage statements are generated monthly and sent directly to the client by the Brokers. These statements are expected to list the account positions, activity in the account over the month and other related information. Clients are encouraged to review all communications and statements received from the Brokers and/or RTA immediately upon receipt.

In addition, the Client's Brokerage generates tax documents. Tax documents are generally generated annually and are available from the Client's Brokerage. RTA does not provide tax consultation or interpretation of the Client's Brokerage tax documents. RTA recommends Clients consult their tax advisor regarding interpretation and filing of tax documentation.

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

##### Compensation Arrangements with Non-Clients for Providing Services to Clients

Neither RTA nor its management receives compensation from non-Clients as a result of providing advisory services to Clients.

##### Client Referral Compensation

RTA does not compensate for client referrals.

#### Item 15: Custody

RTA may be deemed to have "constructive custody" of its SMA Program Clients' assets insofar as RTA directly debits its Management Fees from each SMA Program Client's account(s) pursuant to its advisory agreement and specific written authorization from each Client for such direct debits.

Clients will have continuous access to their account statements issued by the broker and are encouraged to carefully review such statements to confirm fees have been debited directly. RTA does not have custody of CoolTrade Advisory Program Clients' assets.

#### Item 16: Investment Discretion

RTA's SMA Program Advisory Agreement provides for RTA to be delegated discretionary authority over the SMA Program account of its Clients. This authority will be restricted to trading activity only, including buying and selling securities, utilizing margin, and so on. Except for direct deductions of its Management Fee, RTA will not be permitted to initiate transfers of funds in or out of Clients' SMA Program accounts.

With respect to CoolTrade Advisory Program accounts, each Client has sole and complete discretionary authority over its account. RTA does not have any authority to determine the investment choices exercised in connection with the Client's portfolio, and merely provides investment and general strategy recommendations for each Client's implementation via the CoolTrade Software.

## Item 17: Voting Client Securities

RTA does not require or solicit authority to vote securities on behalf of its Client(s). Clients will receive proxies or other solicitations directly from their custodian(s) and/or transfer agent(s). Clients should contact their custodian(s) and/or transfer agent(s) in connection with any questions about a particular proxy or solicitation. RTA does not offer any consulting assistance regarding proxy issues to Clients.

## Item 18: Financial Information

### Balance Sheet

Because RTA does not require or solicit prepayment of more than \$1200.00 in fees per client, six months or more in advance, it is not required to provide a balance sheet for its most recent fiscal year with the brochure.

### Financial Conditions Reasonably Likely to Impair RTA's Ability to Meet Its Contractual Obligations

As of the date of this brochure, RTA is not subject to any financial conditions that are reasonably likely to impair its ability to meet its contractual obligations.

### Bankruptcy Petitions during the Past Ten Years

RTA has not been the subject of a bankruptcy petition at any time during the past ten years.