

# Trubuzz Inc.

## Wrap Fee Program Brochure

*This brochure provides information about the qualifications and business practices of Trubuzz Inc.. If you have any questions about the contents of this brochure, please contact us at (714) 299-8858 or by email at: [martin.chen@trubuzz.com](mailto:martin.chen@trubuzz.com). The information in this brochure has not been approved or verified by the United States Securities and Exchange Commission or by any state securities authority.*

*Additional information about Trubuzz Inc. is also available on the SEC's website at [www.adviserinfo.sec.gov](http://www.adviserinfo.sec.gov). Trubuzz Inc.'s CRD number is: 282693.*

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

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## **Item 2: Material Changes**

Trubuzz Inc. has not yet filed a Wrap Fee Program Brochure. Therefore there are no material changes to this brochure to report.

## Item 3: Table of Contents

Item 1: Cover Page .....	
Item 2: Material Changes .....	ii
Item 3: Table of Contents .....	iii
Item 4: Services Fees and Compensation .....	1
A. Description of Services .....	1
B. Contribution Cost Factors .....	1
C. Additional Fees .....	1
D. Compensation of Client Participation .....	2
Item 5: Account Requirements and Types of Clients .....	2
Minimum Account Size .....	2
Item 6: Portfolio Manager Selection and Evaluation .....	2
A. Selecting/Reviewing Portfolio Managers .....	2
1. Standards Used to Calculate Portfolio Manager Performance .....	2
2. Review of Performance Information .....	2
B. Related Persons .....	2
C. Advisory Business .....	3
Wrap Fee Portfolio Management .....	3
Performance-Based Fees and Side-By-Side Management .....	3
Services Limited to Specific Types of Investments .....	4
Client Tailored Services and Client Imposed Restrictions .....	4
Wrap Fee Programs .....	4
Amounts Under Management .....	4
Methods of Analysis and Investment Strategies .....	5
Material Risks Involved .....	5
Risks of Specific Securities Utilized .....	6
Voting Client Proxies .....	7
Item 7: Client Information Provided to Portfolio Managers .....	8
Item 8: Client Contact with Portfolio Managers .....	8
Item 9: Additional Information .....	8
A. Disciplinary Action and Other Financial Industry Activities .....	8
Criminal or Civil Actions .....	8
Administrative Proceedings .....	8
Self-regulatory Organization Proceedings .....	8
Registration as a Broker/Dealer or Broker/Dealer Representative .....	8
Registration as a Futures Commission Merchant, Commodity Pool Operator, or a Commodity Trading Advisor .....	8

Registration Relationships Material to this Advisory Business and Possible Conflicts of Interests .....	9
Selection of Other Advisors or Managers and How This Adviser is Compensated for Those Selections .....	9
B. Code of Ethics, Client Referrals, and Financial Information .....	9
Code of Ethics .....	9
Recommendations Involving Material Financial Interests.....	9
Investing Personal Money in the Same Securities as Clients .....	9
Trading Securities At/ Around the Same Time as Clients' Securities.....	9
Frequency and Nature of Periodic Reviews and Who Makes Those Reviews .....	10
Factors That Will Trigger a Non-Periodic Review of Client Accounts .....	10
Content and Frequency of Regular Reports Provided to Clients .....	10
Economic Benefits Provided by Third Parties for Advice Rendered to Clients (Includes Sales Awards or Other Prizes) .....	10
Compensation to Non – Advisory Personnel for Client Referrals .....	10
Balance Sheet.....	10
Financial Conditions Reasonably Likely to Impair Ability to Meet Contractual Commitments to Clients .....	11
Bankruptcy Petitions in Previous Ten Years.....	11

## Item 4: Services Fees and Compensation

Trubuzz Inc. (hereinafter “Trubuzz”) offers the following services to advisory clients:

### A. Description of Services

Trubuzz participates in and sponsors a wrap fee program, which allows Trubuzz to manage client accounts for a single fee that includes both portfolio management services and brokerage costs. The fee schedule is set forth below:

Total Assets Under Management	Annual Fee
All Assets	2.50%

These fees are negotiable depending upon the needs of the client and complexity of the situation and the final fee schedule is attached as Exhibit II of the client contract. Trubuzz uses the last day of previous quarter for purposes of determining the market value of the assets upon which the advisory fee is based.

Advisory fees are withdrawn directly from the client’s accounts with client written authorization. Fees are paid quarterly in advance. Refunds are given on a prorated basis, based on the number of days remaining in the billing period on the effective date of termination. The fee refunded will be the balance of the fees collected in advance minus the daily rate\* times the number of days in the billing period up to and including the effective date of termination. (\*The daily rate is calculated by dividing the annual fee by 365).

Clients may terminate the contract without penalty, for full refund, within five business days of signing the contract. Thereafter, clients may terminate the contract with thirty days’ written notice.

### B. Contribution Cost Factors

The program may cost the client more or less than purchasing such services separately. There are several factors that bear upon the relative cost of the program, including the trading activity in the client’s account, the adviser’s ability to aggregate trades, and the cost of the services if provided separately (which in turn depends on the prices and specific services offered by different providers).

### C. Additional Fees

Clients who participate in the wrap fee program will not have to pay for transaction or trading fees.

## **D. Compensation of Client Participation**

Neither Trubuzz, nor any representatives of Trubuzz receive any additional compensation beyond advisory fees for the participation of client's in the wrap fee program. However, compensation received may be more than what would have been received if client paid separately for investment advice, brokerage, and other services. Therefore, Trubuzz may have a financial incentive to recommend the wrap fee program to clients.

## **Item 5: Account Requirements and Types of Clients**

Trubuzz generally provides its wrap fee program services to the following types of clients:

- ❖ Individuals
- ❖ High-Net-Worth Individuals

### ***Minimum Account Size***

There is no account minimum.

## **Item 6: Portfolio Manager Selection and Evaluation**

### **A. Selecting/Reviewing Portfolio Managers**

Trubuzz will not select any outside portfolio managers for management of this wrap fee program. Trubuzz will be the sole portfolio manager for this wrap fee program.

#### ***1. Standards Used to Calculate Portfolio Manager Performance***

Trubuzz will use industry standards to calculate portfolio manager performance.

#### ***2. Review of Performance Information***

Trubuzz reviews the performance information to determine and verify its accuracy and compliance with presentation standards. The performance information is reviewed quarterly and is reviewed by Trubuzz.

### **B. Related Persons**

No related persons act as a portfolio manager for the wrap fee program as described in this brochure. As such, there are no conflicts of interest with related persons and ACM will not select any related persons as portfolio managers for this wrap fee program.

## **C. Advisory Business**

Trubuzz offers portfolio management services to its wrap fee program participants as discussed in Section 4 above.

### ***Wrap Fee Portfolio Management***

Trubuzz offers ongoing portfolio management services based on the individual goals, objectives, time horizon, and risk tolerance of each client. Trubuzz creates an Investment Policy Statement for each client, which outlines the client's current situation (income, tax levels, and risk tolerance levels) and then constructs a plan (the Investment Policy Statement) to aid in the selection of a portfolio that matches each client's specific situation. Investment Supervisory Services include, but are not limited to, the following:

- Investment strategy
- Asset allocation
- Risk tolerance
- Personal investment policy
- Asset selection
- Regular portfolio monitoring

Trubuzz evaluates the current investments of each client with respect to their risk tolerance levels and time horizon. Risk tolerance levels are documented in the Investment Policy Statement, which is given to each client.

### ***Performance-Based Fees and Side-By-Side Management***

Qualified clients will pay an annual fee of 2.00% of assets under management along with a 20.00% performance fee based on capital appreciation. If the client's portfolio rises in value, the client will pay 20.00% on that increase in value, but if the portfolio drops in value, the client will not incur a new performance fee until the portfolio reaches the last highest value, adjusted for withdrawals and deposits, which is generally known as a "high water mark."

The high water mark will be the highest value of the client's account on the last day of any previous year, after accounting for the client's deposits or withdrawals for each billing period.

These fees are generally negotiable and the final fee schedule is attached as Exhibit II of the Investment Advisory Contract. This service may be canceled with 30 days' notice. Clients must pay the prorated performance-based fees for the billing period in which they terminate the Investment Advisory Contract up to and including the day of termination.

Trubuzz manages accounts that are billed on performance based fees (a share of capital gains on or capital appreciation of the assets of a client) as well as accounts that are NOT billed on performance based fees. Managing both kinds of accounts at the same time presents a conflict of interest because Trubuzz or its supervised persons have an incentive to favor accounts for which Trubuzz and its supervised persons receive a performance-

based fee. Trubuzz addresses the conflicts by ensuring that clients who have performance based accounts do not receive preferential treatment. Trubuzz provides best execution practices and upholds its fiduciary duty for all clients.

Clients that are paying a performance based fee should be aware that investment advisors have an incentive to invest in riskier investments when paid a performance based fee due to the higher risk/higher reward attributes.

### ***Services Limited to Specific Types of Investments***

Trubuzz generally limits its investment advice to mutual funds, equities, ETFs (including ETFs in the gold and precious metal sectors) and non-U.S. securities, although Trubuzz primarily recommends value investment approach to a majority of its clients. Trubuzz may use other securities as well to help diversify a portfolio when applicable.

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

Trubuzz will tailor a program for each individual client. This will include an interview session to get to know the client's specific needs and requirements as well as a plan that will be executed by Trubuzz on behalf of the client. Trubuzz will not use "model portfolios" but rather a specific set of recommendations for each client based on their personal restrictions, needs, and targets.

Clients may impose restrictions in investing in certain securities or types of securities in accordance with their values or beliefs. However, if the restrictions prevent Trubuzz from properly servicing the client account, or if the restrictions would require Trubuzz to deviate from its standard suite of services, Trubuzz reserves the right to end the relationship.

### ***Wrap Fee Programs***

Trubuzz sponsors and acts as portfolio manager for this wrap fee program. Trubuzz manages the investments in the wrap fee program, but does not manage those wrap fee accounts any differently than non-wrap fee. The fees paid to the wrap account program will be given to Trubuzz as a management fee.

### ***Amounts Under Management***

Trubuzz has the following assets under management:

Discretionary Amounts:	Non-discretionary Amounts:	Date Calculated:
\$30,000,000.00	\$90,105,000.00	December 2016



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

Trubuzz's methods of analysis include charting analysis, fundamental analysis, technical analysis, quantitative analysis and modern portfolio theory.

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

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

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

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

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

Trubuzz uses long term trading, short term trading, short sales, margin transactions and options trading (including covered options, uncovered options, or spreading strategies).

**Investing in securities involves a risk of loss that you, as a client, should be prepared to bear.**

## ***Material Risks Involved***

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

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

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

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

**Modern Portfolio Theory** assumes that investors are risk adverse, meaning that given two portfolios that offer the same expected return, investors will prefer the less risky one. Thus, an investor will take on increased risk only if compensated by higher expected returns. Conversely, an investor who wants higher expected returns must accept more risk. The exact trade-off will be the same for all investors, but different investors will evaluate the trade-off differently based on individual risk aversion characteristics. The implication is that a rational investor will not invest in a portfolio if a second portfolio exists with a more favorable risk-expected return profile – i.e., if for that level of risk an alternative portfolio exists which has better expected returns.

Long term trading is designed to capture market rates of both return and risk. Frequent trading, when done, can affect investment performance, particularly through increased brokerage and other transaction costs and taxes.

Short term trading, short sales, margin transactions, and options writing generally hold greater risk and clients should be aware that there is a material risk of loss using any of those strategies.

**Short sales** entail the possibility of infinite loss. An increase in the applicable securities' prices will result in a loss and, over time, the market has historically trended upward.

**Margin transactions** use leverage that is borrowed from a brokerage firm as collateral. When losses occur, the value of the margin account may fall below the brokerage firm's threshold thereby triggering a margin call. This may force the account holder to either allocate more funds to the account or sell assets on a shorter time frame than desired.

**Options transactions** involve a contract to purchase a security at a given price, not necessarily at market value, depending on the market. This strategy includes the risk that an option may expire out of the money resulting in minimal or no value, as well as the possibility of leveraged loss of trading capital due to the leveraged nature of stock options.

**Investing in securities involves a risk of loss that you, as a client, should be prepared to bear.**

### ***Risks of Specific Securities Utilized***

Trubuzz's use of short sales, margin transactions and options trading generally holds greater risk of capital loss. Clients should be aware that there is a material risk of loss using any investment strategy. The investment types listed below are not guaranteed or insured by the FDIC or any other government agency.

**Mutual Funds:** Investing in mutual funds carries the risk of capital loss and thus you may lose money investing in mutual funds. All mutual funds have costs that lower investment

returns. The funds can be of bond “fixed income” nature (lower risk) or stock “equity” nature.

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

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

**Options** are contracts to purchase a security at a given price, risking that an option may expire out of the money resulting in minimal or no value. An uncovered option is a type of options contract that is not backed by an offsetting position that would help mitigate risk. The risk for a “naked” or uncovered put is not unlimited, whereas the potential loss for an uncovered call option is limitless. Spread option positions entail buying and selling multiple options on the same underlying security, but with different strike prices or expiration dates, which helps limit the risk of other option trading strategies. Option transactions also involve risks including but not limited to economic risk, market risk, sector risk, idiosyncratic risk, political/regulatory risk, inflation (purchasing power) risk and interest rate risk.

**Non-U.S. securities** present certain risks such as currency fluctuation, political and economic change, social unrest, changes in government regulation, differences in accounting and the lesser degree of accurate public information available.

**Past performance is not a guarantee of future returns. Investing in securities involves a risk of loss that you, as a client, should be prepared to bear.**

### ***Voting Client Proxies***

Trubuzz will not ask for, nor accept voting authority for client securities. Clients will receive proxies directly from the issuer of the security or the custodian. Clients should direct all proxy questions to the issuer of the security.

## **Item 7: Client Information Provided to Portfolio Managers**

Trubuzz is the portfolio managers for this wrap fee program. All client information that is collected, including basic information, risk tolerance, sophistication level, and income level will be collected by Trubuzz. As that information changes and is updated, Trubuzz will have immediate access to that information once collected.

## **Item 8: Client Contact with Portfolio Managers**

Trubuzz places no restrictions on client ability to contact its portfolio managers. Trubuzz's representative, Martin Chen can be contacted during regular business hours and contact information is on the cover page of Martin Chen's Form ADV Part 2B brochure supplement.

## **Item 9: Additional Information**

### **A. Disciplinary Action and Other Financial Industry Activities**

#### ***Criminal or Civil Actions***

There are no criminal or civil actions to report.

#### ***Administrative Proceedings***

There are no administrative proceedings to report.

#### ***Self-regulatory Organization Proceedings***

There are no self-regulatory organization proceedings to report.

#### ***Registration as a Broker/Dealer or Broker/Dealer Representative***

Neither Trubuzz nor its representatives are registered as or have pending applications to become a broker/dealer or as representatives of a broker/dealer.

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

Neither Trubuzz nor its representatives are registered as or have pending applications to become a Futures Commission Merchant, Commodity Pool Operator, or a Commodity Trading Advisor.

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

Neither Trubuzz nor its representatives have any material relationships to this advisory business that would present a possible conflict of interest.

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

Trubuzz does not utilize nor select other advisors or third party managers. All assets are managed by Trubuzz management.

## **B. Code of Ethics, Client Referrals, and Financial Information**

### ***Code of Ethics***

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

### ***Recommendations Involving Material Financial Interests***

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

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

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

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

From time to time, representatives of Trubuzz may buy or sell securities for themselves at or around the same time as clients. This may provide an opportunity for representatives

of Trubuzz to buy or sell securities before or after recommending securities to clients resulting in representatives profiting off the recommendations they provide to clients. Such transactions may create a conflict of interest; however, Trubuzz will never engage in trading that operates to the client's disadvantage when similar securities are being bought or sold.

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

Client accounts are reviewed at least monthly only by Martin Chen, Chairman & CEO. First Middle Last is the chief advisor and is instructed to review clients' accounts with regards to their investment policies and risk tolerance levels. All accounts at Trubuzz are assigned to this reviewer.

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

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

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

Each client will receive at least monthly from the custodian, a written report that details the client's account including assets held and asset value which will come from the custodian.

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

Trubuzz does not receive any economic benefit, directly or indirectly from any third party for advice rendered to Trubuzz clients.

### ***Compensation to Non – Advisory Personnel for Client Referrals***

Trubuzz does not directly or indirectly compensate any person who is not advisory personnel for client referrals.

### ***Balance Sheet***

Trubuzz does not require nor solicit prepayment of more than \$1,200 in fees per client, six months or more in advance and therefore does not need to include a balance sheet with this brochure.

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

Neither Trubuzz nor its management have any financial conditions that are likely to reasonably impair our ability to meet contractual commitments to clients.

***Bankruptcy Petitions in Previous Ten Years***

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