

# Columbus Macro, LLC

## Firm Brochure - Form ADV Part 2A

*This brochure provides information about the qualifications and business practices of Columbus Macro, LLC. If you have any questions about the contents of this brochure, please contact us at (480) 951-7831 or by email at: [info@tbd.com](mailto:info@tbd.com). The information in this brochure has not been approved or verified by the United States Securities and Exchange Commission or by any state securities authority.*

*Additional information about Columbus Macro, LLC is also available on the SEC's website at [www.adviserinfo.sec.gov](http://www.adviserinfo.sec.gov). Columbus Macro, LLC's CRD number is: 286374.*

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

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## **Item 2: Material Changes**

Columbus Macro, LLC has not yet filed an annual updating amendment using the Form ADV Part 2A. Therefore there are no material changes to report.

## Item 3: Table of Contents

Item 1: Cover Page	
Item 2: Material Changes	ii
Item 3: Table of Contents	iii
Item 4: Advisory Business	2
A. Description of the Advisory Firm	2
B. Types of Advisory Services	2
C. Client Tailored Services and Client Imposed Restrictions	3
D. Wrap Fee Programs	3
E. Assets Under Management	3
Item 5: Fees and Compensation	3
A. Fee Schedule	4
B. Payment of Fees	4
C. Client Responsibility For Third Party Fees	4
D. Prepayment of Fees	5
E. Outside Compensation For the Sale of Securities to Clients	5
Item 6: Performance-Based Fees and Side-By-Side Management	5
Item 7: Types of Clients	5
Item 8: Methods of Analysis, Investment Strategies, & Risk of Loss	5
A. Methods of Analysis and Investment Strategies	5
B. Material Risks Involved	11
C. Risks of Specific Securities Utilized	13
Item 9: Disciplinary Information	14
A. Criminal or Civil Actions	15
B. Administrative Proceedings	15
C. Self-regulatory Organization (SRO) Proceedings	15
Item 10: Other Financial Industry Activities and Affiliations	15
A. Registration as a Broker/Dealer or Broker/Dealer Representative	15
B. Registration as a Futures Commission Merchant, Commodity Pool Operator, or a Commodity Trading Advisor	15
C. Registration Relationships Material to this Advisory Business and Possible Conflicts of Interests	15
D. Selection of Other Advisers or Managers and How This Adviser is Compensated for Those Selections	15
Item 11: Code of Ethics, Participation or Interest in Client Transactions and Personal Trading	16
A. Code of Ethics	16
B. Recommendations Involving Material Financial Interests	16
C. Investing Personal Money in the Same Securities as Clients	16

D.    Trading Securities At/ Around the Same Time as Clients' Securities .....	16
Item 12: Brokerage Practices.....	17
A.    Factors Used to Select Custodians and/or Broker/Dealers .....	17
1.    Research and Other Soft-Dollar Benefits .....	17
2.    Brokerage for Client Referrals .....	17
3.    Clients Directing Which Broker/Dealer/Custodian to Use .....	17
B.    Aggregating (Block) Trading for Multiple Client Accounts .....	18
Item 13: Review of Accounts .....	18
A.    Frequency and Nature of Periodic Reviews and Who Makes Those Reviews.....	18
B.    Factors That Will Trigger a Non-Periodic Review of Client Accounts.....	18
C.    Content and Frequency of Regular Reports Provided to Clients.....	18
Item 14: Client Referrals and Other Compensation .....	18
A.    Economic Benefits Provided by Third Parties for Advice Rendered to Clients (Includes Sales Awards or Other Prizes) .....	19
B.    Compensation to Non – Advisory Personnel for Client Referrals.....	19
Item 15: Custody.....	19
Item 16: Investment Discretion .....	19
Item 17: Voting Client Securities (Proxy Voting).....	20
Item 18: Financial Information.....	20
A.    Balance Sheet .....	20
B.    Financial Conditions Reasonably Likely to Impair Ability to Meet Contractual Commitments to Clients .....	20
C.    Bankruptcy Petitions in Previous Ten Years .....	20

## **Item 4: Advisory Business**

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

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

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

#### ***Portfolio Management and Construction***

Columbus Macro, LLC is a registered investment adviser that provides discretionary and non-discretionary portfolio management and construction services.

Our portfolios are offered through sub-advisory agreements with unaffiliated broker-dealers, financial institutions, and registered investment advisors. These Program Sponsors (“Third-Party Advisers”) select us as a “Third-Party Manager” and offer our portfolio management solutions as part of their wrap fee programs. The accounts that we sub-advise are memorialized in contracts between Columbus Macro and the Program Sponsor. Examples include agreements with Cetera Investment Advisers (CIA) and First Allied Advisory Services, Inc. (FAAS), both of which leverage our prior professional relationships with these firms.

Columbus Macro communicates primarily through advisors registered with the Program Sponsor. Columbus Macro will rely on that advisor to analyze their client’s goals and needs when recommending a strategy that we manage. The advisor will collect suitability information and ensure that the investment strategy chosen is appropriate for their client. The Sponsors are responsible for the selection of the Columbus Macro portfolio(s) used by their clients, monitoring and evaluating performance of Columbus Macro, as well as obtaining trading authorization, communicating client instructions, and providing custodial and execution services, client reporting, and billing. Sponsors of these programs select a “Platform Manager” who operates the technology platform on which their investment advisory programs function. Columbus Macro does not maintain custody of accounts. The firms that hire Columbus Macro to provide portfolio management services on their behalf enter into relationships with qualified custodians.

Columbus Macro selects the securities to be bought or sold in each portfolio. Columbus Macro creates, manages, rebalances and reallocates portfolios that consist of but are not limited to mutual funds, exchange-traded funds (ETF), closed end funds (CEFs), American Depositary Receipts (ADRs), equity and fixed-income instruments, options, separately managed accounts and structured notes in the accounts we are hired to manage.

The majority of our management is through pre-defined strategies, but certain programs can be customized to meet unique requests. For certain programs, client's investment objectives, goals, restrictions, tax status and risk profiles are communicated to us by their third-party adviser. Columbus Macro will also accept instructions from clients restricting certain securities that are not to be held in the client's account.

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

Columbus Macro offers the same suite of services to all of its sponsor firm clients. However, specific client investment strategies and their implementation are dependent upon the sponsor firm's client Investment Policy Statement which outlines each client's current situation (income, tax levels, and risk tolerance levels). Clients of the sponsor firm may impose restrictions in investing in certain securities or types of securities in accordance with their values or beliefs. However, if the restrictions prevent Columbus Macro from properly servicing the client account, or if the restrictions would require Columbus Macro to deviate from its standard suite of services, Columbus Macro reserves the right to end the relationship.

### **D. Wrap Fee Programs**

Columbus Macro acts as a sub-adviser to wrap fee programs offered by third-party advisers, which are investment programs where the investor pays one stated fee that includes management fees, transaction costs, fund expenses, and other administrative fees. Columbus Macro manages the investments in the wrap fee program, but does not manage those wrap fee accounts any differently than non-wrap fee accounts. Fees paid under the wrap fee program will be paid to third-party adviser firms who then pay Columbus Macro an agreed upon management fee, which varies by program.

### **E. Assets Under Management**

Columbus Macro has the following assets under management:

<b>Discretionary Amounts:</b>	<b>Non-discretionary Amounts:</b>	<b>Date Calculated:</b>
\$450mm	\$0	March 2017

## **Item 5: Fees and Compensation**

## **A. Fee Schedule**

### ***Portfolio Management and Subadvisor Services Fees***

<b>Total Assets Under Management</b>	<b>Annual Fees</b>
Discretionary	0.05% - 0.40%
Non-Discretionary	0.05% - 0.15%  For certain programs, Columbus Macro receives fixed annual fee from Program Sponsor for model development and Maintenance. Clients of the Sponsor are not assessed a separate charge for Columbus Macro services.

Columbus Macro acts as a subadvisor to unaffiliated third-party advisers. Under a single contract arrangement, the client generally pays an asset-based fee to the sponsor firm and, out of that fee, the sponsor firm is responsible for paying an investment advisory fee to Columbus Macro. The sub-advisory fees that we receive are negotiated between us and the principal third-party adviser for each sub-advised strategy. The fees charged will not exceed any limit imposed by any regulatory agency. The notice of termination requirement and payment of fees for subadvisor services will depend on the specific third-party investment adviser engaging Columbus Macro as its sub-advisor. Both the third-party advisory fee and the manager's portion are calculated using the value of the assets in the Account on the last business day of the prior billing period.

For three programs (Managed Wealth ADVANTAGE, Portfolio Advisory Services, and Digital Advice Platform) Columbus Macro provides investment models to the sponsor firm and receives a fixed annual fee which is not related to the level of client assets in those programs.

## **B. Payment of Fees**

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

Asset-based subadvisory fees are withdrawn on a quarterly basis from clients' accounts by the third-party adviser as part of their wrap fee program. Fees are paid in advance.

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

Third-party advisers who utilize Columbus Macro services, wrap third party fees (i.e. custodian fees, brokerage fees, mutual fund fees, transaction fees, etc.). These third-party

advisers charge clients one fee, and pay all transaction fees using the fee collected from the client.

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

Third-party advisers who utilize Columbus Macro services, collect fees in advance. Refunds for fees paid in advance will be returned per the agreement between the third-party adviser and its clients.

For all asset-based fees paid in advance, the fee refunded will be equal to the balance of the fees collected in advance minus the daily rate\* times the number of days elapsed in the billing period up to and including the day of termination. (\*The daily rate is calculated by dividing the annual asset-based fee rate by 365.)

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

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

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

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

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

Columbus Macro generally provides advisory services to Other Investment Advisers.

The third-party advisers who utilize Columbus Macro services, sponsor programs with a variety of account minimums, currently ranging from \$1,000 - \$500,000, depending on the program.

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

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

##### *Methods of Analysis*

Our method of analysis stems from our philosophies of risk management and an active approach that is guided by the multi-disciplinarian portfolio management team. Our portfolio managers have diverse backgrounds with highly specialized expertise in



quantitative modeling, global macro analysis, politics, technical analysis, derivatives, and forensic accounting. Thus, our method of analysis draws from these tools but may vary based on the specific strategy and objective. For broader asset allocation strategies, we primarily take a top-down view of the world to determine areas to invest and areas to avoid. This analysis includes:

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

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

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

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

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

**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.

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

### ***Investment Strategies***

We are currently contracted to function as the sub-adviser to the following investment programs:

#### **Strategic and Tactical Model Portfolios**

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

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

1. **Columbus Macro Strategic** strategies feature a long-term strategic asset allocation that typically rebalances only with drift or changes to our long-term capital market assumptions. The models utilize exchange-traded funds (ETFs) and do not include alternatives.
2. **Columbus Macro StrategicPLUS** strategies utilize mutual funds (MFs) and include alternative asset classes . While the portfolios maintain long-term stock/bond/cash targets, the weights of the underlying asset classes may be tilted quarterly based on our intermediate term outlook. .
3. **Columbus Macro Constrained** strategies were designed as a comprehensive asset allocation strategy giving clients exposure to an actively managed blend of stocks, bonds, and alternative assets. The strategy is more tactical than the Strategic PLUS approach with portfolio adjustments happening throughout the quarter to capitalize on both a short-term and intermediate-term outlook. In addition, portfolio shifts may result in increases or decreases to the overall stock/bond targets to reflect our view of market movements. Both ETFs and mutual funds are used to obtain asset class exposures.
4. **Managed Wealth ADVANTAGE® (MWA)** and **Guided Program** allow Program Sponsor advisors to customize portfolios based on individual client goals, risk tolerance and time horizon while providing a diversified and professionally managed portfolio. MWA and Guided Program offer clients a set of asset allocation models constructed based on risk profiles. Columbus Macro has been contracted as sub-adviser to design and managed the asset allocation models on an ongoing basis. Advisors determine their client's risk tolerance, and then select the appropriate asset allocation model. For each model, advisors have a lineup of asset classes, each containing a diverse choice of mutual funds and ETFs from multiple investment companies determined by the program sponsor. Advisors pick the mutual funds and ETFs from this list to build their client's MWA or Guided Program account.
5. **Portfolio Advisory Services** is a fee-based investment program which offers a wide range of asset allocation portfolios strategically built to help Program Sponsor clients capture market returns and achieve their long-term investment goals. The program features a highly diversified investment approach, which uses a belief system based on Nobel Prize-winning financial concepts and low-cost institutional asset-class mutual funds provided primarily by Dimensional Fund Advisors.. Columbus Macro has been contracted to assist the program sponsor in program management including design, implementation, and tax optimization overlay. Additionally, Columbus Macro communicates regularly with the program sponsor and their registered investment advisors regarding market outlook, investment management decisions, and strategy performance.

6. **Digital Advice Platform.** The sponsor's online digital advice platform assists clients in performing assessment of their risk tolerance and goals. This platform combines a low-cost, low-minimum investment solution with robust planning and savings tools. Columbus Macro has been contracted to provide the asset allocation models (ranging from aggressive to conservative) from which clients can choose.
7. **401(k) Select** is divided into two distinct types of services: Single Asset Class Fund (SACF) selection and portfolio management of a company-sponsored 401(k) plan account (Professionally Managed Portfolio (PMP)). The retirement plan's trustee works with us to establish the SACF selection for his company's retirement plan.

The Program Sponsor contracts with us to establish a list of mutual funds for Trustees to make available to their plan's participants, the trustee then allows plan participants to create their own portfolios. Plan participants also have the option of choosing the PMP option. By choosing the PMP option, participants are opting to have their company-sponsored retirement plan account managed by us. The PMP option allows plan participants to choose from five different asset allocation models (portfolios): Conservative, Balanced, Moderate, Growth, and Aggressive. Each of these models is actively managed by us. Our management style for each asset allocation model provides broad diversification across most major asset classes through the purchase of a basket of selected mutual funds. The portfolios include a consistent allocation to stocks, bonds, and alternative assets.

#### **Separately Managed Account (SMA) Portfolios**

Columbus Macro functions as a sub-adviser on various separately managed account (SMA) solutions designed to fulfill specific roles within a larger portfolio. These SMA solutions are built on a foundation of qualitative and quantitative research, all guided by our investment professionals.

1. **The Columbus Macro Yield Select** invests in highly liquid U.S.-listed securities, including equities, American Depositary Receipts (ADRs), CEFs, ETFs, and mutual funds. Its primary objective is to offer a balance between current income and future growth, with a bias toward risk management. The portfolio will be comprised of three parts: The first part invests in individual stocks that have a high current dividend yield with the potential for dividend growth. The second part invests in funds representing equity, fixed income, and alternative asset classes with a high yield. The third part invests in areas where the managers see the best risk/reward relationship for income. The goal is to establish a portfolio of approximately 40 positions that is diversified by asset class, sector and size that will generate current income through dividends, interest income and royalty payments plus offer the potential for long-term appreciation. This strategy has exposure to interest-rate risk, as changes in interest rates will affect the price of bond positions held by the strategy. CEFs may have investment objectives other than matching a particular market index, may have a tendency to trade below net asset value, and are subject to liquidity risk. CEFs are subject to risks similar to those of stocks.

2. **Columbus Macro Large Cap Core** is a separately managed account strategy investing in highly liquid U.S.-listed equities. We manage this strategy for investors seeking a risk-managed approach that strives to build and maintain wealth. The strategy seeks to outperform the S&P 500 index with a bias toward downside risk management. The strategy is designed to accommodate growing concern about market risk while still providing the participation in growth that is available through equity investing. In Large Cap Core portfolios, we employ a disciplined methodology to identify opportunities to purchase stocks in large U.S. companies that the portfolio management team believes are poised for enhanced performance with a favorable risk/reward tradeoff. We use inverse mutual funds to try to limit broader market risk. Inverse funds are designed to go up in value as the market goes down, but this also means that they can lose money if the market goes up.
3. **Columbus Macro Liquid Alternatives** aims to provide investors with exposure to various alternative asset classes through liquid vehicles such as ETFs and mutual funds. The strategy is constructed as a source of alternative exposure to complement a broader diversified portfolio. Liquid Alternatives is built on the premise that alternatives are an important asset class that can reduce the volatility through low correlation to traditional stock and bond investments. The portfolio has exposure to many alternative approaches such as managed futures, long/short, master limited partnerships, and merger arbitrage. We conduct due diligence on the specific funds to utilize within Liquid Alternatives to represent the various alternative asset classes. In addition, certain funds in the portfolio may be used to hedge equity risk when markets are too complacent and when risks are rising. This strategy has exposure to interest-rate risk, as changes in interest rates could affect the price of bond positions held by certain underlying funds held in the strategy. In addition, many funds in this strategy employ a shorting strategy, which may cause the fund to lose money even as asset prices increase.
4. **Columbus Macro Unconstrained** is a tactically unconstrained strategy that attempts to opportunistically exploit price momentum trends and fundamental mispricing among global asset classes including stocks, bonds, and hard assets. It reflects the favorite thematic ideas of our Investment Committee. A more fluid market environment requires an active approach that allows for flexibility to adjust to changing conditions, so Columbus Macro Unconstrained was designed to represent the tactical portion of the portfolio geared to adapt to macro environment. The strategy is designed to move in and out of the market as well as to capitalize on investment opportunities. The strategy will rotate amongst our best ideas across 15 equity, fixed income, and hard asset categories. Finally, our research is applied against an extensive universe of global ETFs and mutual funds (including size, style, sector, country, low-volatility, momentum and fundamental sub-categories) to select targeted investments.

#### **Unified Managed Account (UMA) Portfolios**

**Unified managed accounts (“UMAs”)** combines client’s assets into a single account or household (group of accounts). UMAs typically hold multiple investment strategies in the same custodial account, as well as other investment products such as mutual funds, exchange traded funds, individual stocks, bonds, or structured notes.

**Columbus Macro Private Client Services (PCS)**

The PCS strategy is designed to provide high-net-worth clients the opportunity to have some, or all, of their assets managed in a unified household account(s).

The Program Sponsor has determined that PCS is open to clients that invest at least \$500,000 in the strategy. The PCS strategy establishes a portfolio that will invest in an array of stocks, bonds, ETFs, CEFs, mutual funds, and/or other securities directly or through strategies managed by other third-party managers. In addition, certain option and/or structured product strategies may also be utilized, which have unique risk profiles. The following information is provided solely for general education and information purposes and therefore should not be considered complete.

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

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

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

Columbus Macro uses long term trading and short term trading.

**Market/Economic Commentary**

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

### **Vehicle Selection and Monitoring**

In selecting investment options for the portfolios, we seek to develop and maintain a broad universe of investment vehicles to provide flexibility and choice in asset allocation and portfolio construction

### **Ongoing Monitoring and Replacement**

The underlying instruments and overall portfolio is reviewed daily, quarterly and annually. Vehicles may be removed from the portfolio if they no longer meet our criteria for inclusion.

### **All Strategies**

In each of the strategies listed above, we may utilize leveraged and/or inverse securities, which potentially carry increased risk. These securities gain the target exposure through the use of derivatives and/or by shorting a segment of the market. In addition, leveraged securities potentially carry increased risk because the security will increase or decrease in value based on a factor, or multiplier. For example, if the investment model invests \$100 in a 2x leveraged security, the security will increase or decrease as if the investment model had invested \$200. Since these securities offer a multiple of the daily return, they are not meant to be held as long-term investments as the performance will deviate from the target in periods over one day. This daily compounding issue is magnified during periods of high volatility and is further exacerbated by leverage. Inverse securities are designed to increase in value as the underlying security decreases in value, and vice versa. Leveraged/inverse securities have the risks associated with both leveraged and inverse securities.

Certain of the strategies that we manage are offered under different names through different firms, but the underlying strategies are the same. Not all firms that hire us as portfolio manager offer all of the strategies listed above. Some firms may require that advisor engage in additional training prior to offering access to certain strategies.

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

## **B. Material Risks Involved**

### ***Methods of Analysis***

Market movements are difficult to predict and are influenced by, among other things, government trade, fiscal, monetary and exchange control programs and policies; changing supply and demand relationships; national and international political and

economic events; changes in interest rates; and the inherent volatility of the marketplace. In addition, governments from time to time intervene, directly and by regulation, in certain markets, often with the intent to influence prices directly. The effects of governmental intervention may be particularly significant at certain times in the financial instrument and currency markets, and such intervention (as well as other factors) may cause these markets and related investments to move rapidly

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

**Cyclical analysis** assumes that the markets react in cyclical patterns which, once identified, can be leveraged to provide performance. The risks with this strategy are two-fold: 1) the markets do not always repeat cyclical patterns; and 2) if too many investors begin to implement this strategy, then it changes the very cycles these investors are trying to exploit.

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

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

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

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

## *Investment Strategies*

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

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

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

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

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

**Mutual Funds:** Investing in mutual funds carries the risk of capital loss and thus 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.

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



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

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

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

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

## **Item 9: Disciplinary Information**

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

There are no criminal or civil actions to report.

#### **B. Administrative Proceedings**

There are no administrative proceedings to report.

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

There are no self-regulatory organization proceedings to report.

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

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

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

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

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

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

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

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

For certain investment programs, Columbus Macro acts as an overlay manager and may select and utilize third-party investment managers to manage a portion (sleeve) of an individual client's Unified Managed Account (UMA). The fee charged by these third-

party investment managers is borne entirely by Columbus Macro and is not an incremental cost to the client, as it is included in the overall client wrap fee .

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

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

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

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

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

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

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

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

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

## **Item 12: Brokerage Practices**

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

Custodians/broker-dealers are not recommended by Columbus Macro, but rather dependent on the third-party adviser and their affiliations. Thus, the third-party adviser has the duty to seek “best execution,” which is the obligation to seek execution of securities transactions for a client on the most favorable terms for the client under the circumstances. Clients will not necessarily pay the lowest commission or commission equivalent, and third-party adviser may also consider the market expertise and research access provided by the broker-dealer/custodian, including but not limited to access to written research, oral communication with analysts, admittance to research conferences and other resources provided by the brokers that may aid in the third-party adviser’s and/or Columbus Macro’s research efforts. Columbus Macro will never charge a premium or commission on transactions, beyond the actual cost imposed by the broker-dealer/custodian.

#### ***1. Research and Other Soft-Dollar Benefits***

Columbus Macro receives no research, product, or services from broker-dealers or custodians in connection with client securities transactions (“soft dollar benefits”).

#### ***2. Brokerage for Client Referrals***

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

#### ***3. Clients Directing Which Broker/Dealer/Custodian to Use***

Columbus Macro does not execute transactions, but rather relies on contracted third-party advisors to determine which broker dealer/custodian they are affiliated with to determine where trades are executed. Thus, clients are required to use a specific broker-dealer to execute transactions. Not all advisers require clients to use a particular broker-dealer.

### ***Columbus Macro Commentary & Reports***

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

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

Columbus Macro does not execute transactions directly in client accounts, but rather submits model changes directly to Platform Manager's (i.e. Envestnet, FolioDynamix, or other third party) designated by the contracted third-party advisor who has delegated trade execution to these Platform Managers. Trading and rebalancing are executed according to the policies and procedures of Platform Managers based upon our investment direction.

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

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

While in many cases, Columbus Macro does not have access to individual account data, we review our sub-advisory strategies on a continual basis, including models, holdings, rates of return, and allocation of asset classes. Reviews may also be triggered by market fluctuations, economic releases or political events.

### **B. 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).

Clients should notify their third-party adviser promptly if there are any material changes to their financial situation, investment objectives, or in the event they wish to place restrictions on their account.

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

Each client of Columbus Macro's advisory services will receive a monthly brokerage account statement directly from the third-party adviser's custodian and a quarterly performance report from the third-party adviser.

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

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

Columbus Macro receives compensation via its arrangement with its underlying subadvisers, but otherwise does not receive any economic benefit from any other third party for advice rendered to Columbus Macro's clients.

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

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

### **Item 15: Custody**

Columbus Macro does not have physical or constructive custody for any client funds. Account assets are custodied by a custodian selected by the third-party adviser. The custodian will send clients account statements either quarterly or more frequently. These statements should be carefully reviewed for accuracy.

### **Item 16: Investment Discretion**

Columbus Macro provides both discretionary and non-discretionary investment advisory services to clients. When a client of the third-party adviser signs an Investment Advisory Agreement with the Sponsor Firm, Columbus Macro retains the continuous and regular management authority to decide which securities to purchase, sell, and hold, the total amount of the securities to be bought/sold/held, and the price per share that we deem appropriate for the clients of third-party advisers without consultation. As such, we make initial asset allocation decisions along with continuous and regular monitoring and reallocation. When constructing and managing models, we consider the client's objective as to risk-tolerance and tax sensitivity. While Platform Managers may perform administrative and/or trading duties pursuant to our direction and instructions, Platform Managers are not responsible for specific investment selections. Nor can the Platform Manager change or modify our instructions. Within our UMA strategies, Columbus Macro has the authority to allocate assets among other managers (a "manager of managers"), including the ability to hire and fire managers and reallocate assets among them. In most cases, Columbus Macro's compensation is directly tied to the value of client assets we manage. Alternatively, for certain programs, Columbus Macro receives a negotiated fixed annual fee from Program Sponsor for model development and maintenance. In these instances, Columbus Macro treats these programs as Assets Under Advisement (AUA). Our contractual arrangements with Program Sponsors further distinguish which programs are reported as AUM vs AUA.

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

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

Columbus Macro will not ask for, nor accept voting authority for client securities. For accounts that utilize Columbus Macro strategies, the responsibility for voting the proxies has been delegated to the Platform Manager who may utilize a third-party service provider to vote the proxies on their behalf. In these cases, the third party service provider's proxy voting policies and procedures will be followed. The third-party service provider's proxy voting policies are reviewed annually and approved by us.

### **Item 18: Financial Information**

#### **A. Balance Sheet**

Columbus Macro neither requires nor solicits prepayment of more than \$500 in fees per client, six months or more in advance, and therefore is not required to include a balance sheet with this brochure.

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

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

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

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