

Catalina Capital Group LLC

Firm Brochure - Form ADV Part 2A

This brochure provides information about the qualifications and business practices of Catalina Capital Group LLC. If you have any questions about the contents of this brochure, please contact us at (310) 540-5544 or by email at: cfrantz@catalinacap.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 Catalina Capital Group LLC is also available on the SEC's website at www.adviserinfo.sec.gov. Catalina Capital Group LLC's CRD number is: 172556.

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

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Item 2: Material Changes

There are no material changes in this brochure from the last annual updating amendment of Catalina Capital Group LLC on 02/04/2019. Material changes relate to Catalina Capital Group LLC 's policies, practices or conflicts of interests only.

Item 3: Table of Contents

Item 1: Cover Page	
Item 2: Material Changes	ii
Item 3: Table of Contents.....	ii
Item 4: Advisory Business	4
A. Description of the Advisory Firm	4
B. Types of Advisory Services	4
C. Client Tailored Services and Client Imposed Restrictions	5
D. Wrap Fee Programs	6
E. Assets Under Management	6
Item 5: Fees and Compensation	6
A. Fee Schedule	6
B. Payment of Fees	7
C. Client Responsibility For Third Party Fees	8
D. Prepayment of Fees	8
E. Outside Compensation For the Sale of Securities to Clients	8
Item 6: Performance-Based Fees and Side-By-Side Management	8
Item 7: Types of Clients	9
Item 8: Methods of Analysis, Investment Strategies, & Risk of Loss	9
A. Methods of Analysis and Investment Strategies	9
B. Material Risks Involved	10
C. Risks of Specific Securities Utilized	12
Item 9: Disciplinary Information	14
A. Criminal or Civil Actions	14
B. Administrative Proceedings	14
C. Self-regulatory Organization (SRO) Proceedings	14
Item 10: Other Financial Industry Activities and Affiliations	14
A. Registration as a Broker/Dealer or Broker/Dealer Representative	14
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	15

A.	Code of Ethics	15
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		16
A.	Factors Used to Select Custodians and/or Broker/ Dealers	16
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	17
Item 13: Review of Accounts		17
A.	Frequency and Nature of Periodic Reviews and Who Makes Those Reviews	17
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)	18
B.	Compensation to Non - Advisory Personnel for Client Referrals	19
Item 15: Custody		19
Item 16: Investment Discretion		20
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

Catalina Capital Group LLC (hereinafter "CatalinaCap") is a Limited Liability Company organized in the State of California. The firm was formed in July 2014, and the principal owners are Chris Frantz and Philippe Oertle.

B. Types of Advisory Services

Portfolio Management Services

CatalinaCap offers ongoing portfolio management services based on the individual goals, objectives, time horizon, and risk tolerance of each client. CatalinaCap creates an Investment Objective Sheet for each client, which outlines the client's current investment objectives and risk tolerance. Portfolio management services include, but are not limited to, the following:

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

CatalinaCap evaluates the current investments of each client with respect to their risk tolerance levels and time horizon. CatalinaCap will request discretionary authority from clients in order to select securities and execute transactions without permission from the client prior to each transaction. Risk tolerance levels are documented in the Investment Objective Sheet, which is given to each client.

CatalinaCap seeks to provide that investment decisions are made in accordance with the fiduciary duties owed to its accounts and without consideration of CatalinaCap's economic, investment or other financial interests. To meet its fiduciary obligations, CatalinaCap attempts to avoid, among other things, investment or trading practices that systematically advantage or disadvantage certain client portfolios, and accordingly, CatalinaCap's policy is to seek fair and equitable allocation of investment opportunities/transactions among its clients to avoid favoring one client over another over time. It is CatalinaCap's policy to allocate investment opportunities and transactions it identifies as being appropriate and prudent, including initial public offerings ("IPOs") and other investment opportunities that might have a limited supply, among its clients on a fair and equitable basis over time.

CatalinaCap has discretion to choose third-party investment advisers to manage all or a portion of the client's assets. Before selecting other advisers for clients, CatalinaCap will always ensure those other advisers are properly licensed or registered as an investment adviser. CatalinaCap conducts due diligence on any third-party investment adviser,

which may involve one or more of the following: phone calls, meetings and review of the third-party adviser's performance and investment strategy. CatalinaCap then makes investments with a third-party investment adviser by investing with the third-party adviser. These investments may be allocated either through the third-party adviser's fund or through a separately managed account managed by such third-party adviser on behalf of CatalinaCap's client. CatalinaCap may also allocate among one or more private equity funds, private equity fund advisers, REITs, Real Estate Investment Funds or Hedge Funds. CatalinaCap will review the ongoing performance of the third-party adviser as a portion of the client's portfolio.

Pension Consulting Services

CatalinaCap offers consulting services to pension or other employee benefit plans (including but not limited to 401(k) plans). Pension consulting may include, but is not limited to:

- Identifying investment objectives and restrictions
- Providing guidance on various asset classes and investment options
- Recommending money managers to manage plan assets in ways designed to achieve objectives
- Monitoring performance of money managers and investment options and making recommendations for changes
- Recommending other service providers, such as custodians, administrators and broker-dealers
- Creating a written pension consulting plan

These services are based on the goals, objectives, demographics, time horizon, and/or risk tolerance of the plan and its participants.

Services Limited to Specific Types of Investments

CatalinaCap generally limits its investment advice to mutual funds, fixed income securities, real estate funds (including REITs), insurance products including annuities, equities, hedge funds, private equity funds, ETFs (including ETFs in the gold and precious metal sectors), treasury inflation protected/inflation linked bonds, commodities, non-U.S. securities, venture capital funds and private placements. CatalinaCap may use other securities as well to help diversify a portfolio when applicable.

C. Client Tailored Services and Client Imposed Restrictions

CatalinaCap offers the same suite of services to all of its clients. However, specific client investment strategies and their implementation are dependent upon the client Investment Policy Statement which outlines each client's current situation (income, tax levels, and risk tolerance levels). 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

CatalinaCap from properly servicing the client account, or if the restrictions would require CatalinaCap to deviate from its standard suite of services, CatalinaCap reserves the right to end the relationship.

D. Wrap Fee Programs

A wrap fee program is an investment program where the investor pays one stated fee that includes management fees, transaction costs, fund expenses, and other administrative fees. CatalinaCap does not participate in any wrap fee programs.

E. Assets Under Management

CatalinaCap has the following assets under management:

Discretionary Amounts:	Non-discretionary Amounts:	Date Calculated:
\$ 154,295,000.00	\$ 23,205,000.00	December 2019

Item 5: Fees and Compensation

Lower fees for comparable services may be available from other sources.

A. Fee Schedule

Portfolio Management Fees

Total Assets Under Management	Annual Fees
All Assets	Up to 1.50%

The advisory fee is calculated using the value of the assets in the account on the last business day of the prior billing period.

These fees are generally negotiable and the final fee schedule is attached as Exhibit II of the Investment Advisory Contract. Clients may terminate the agreement without penalty for a full refund of CatalinaCap's fees within five business days of signing the Investment Advisory Contract. Thereafter, clients may terminate the Investment Advisory Contract immediately upon written notice.

Selection of Other Advisers Fees

Total Assets Under Management	Annual Fees
All Assets	Up to 1.50%

CatalinaCap will receive its standard fee on top of the fee paid to the third party adviser. This relationship will be memorialized in each contract between CatalinaCap and each third-party adviser. The fees will not exceed any limit imposed by any regulatory agency.

Pension Consulting Services Fees

Asset-Based Fees

Total Assets Under Management	Annual Fee
\$0 - AND UP	Up to 1.50%

The advisory fee is calculated using the value of the assets in the account on the last business day of the prior billing period.

Fixed Fees

The rate for creating client pension consulting plans is up to \$250,000.

These fees are generally negotiable and the final fee schedule is attached as Exhibit II of the pension consulting agreement. Clients may terminate the agreement without penalty for a full refund of CatalinaCap's fees within five business days of signing the pension consulting agreement. Thereafter, clients may terminate the pension consulting agreement immediately upon written notice.

B. Payment of Fees

Payment of Portfolio Management Fees

Asset-based portfolio management fees are withdrawn directly from the client's accounts with client's written authorization on a quarterly basis, or may be invoiced and billed directly to the client on a quarterly basis. Clients may select the method in which they are billed. Fees are paid in advance.

Payment of Pension Consulting Fees

Asset-based pension consulting fees are withdrawn directly from the client's accounts with client's written authorization or may be invoiced and billed directly to the client, clients may select the method in which they are billed. Fees are paid either monthly or quarterly and are paid either in advance or arrears.

Fixed pension consulting fees are paid via check or wire. Fees are paid either monthly or quarterly and are paid either in advance or arrears.

Payment of Selection of Other Advisers Fees

Fees for selection of third-party advisers may be invoiced and billed directly to the client. Fees are paid quarterly in arrears.

C. Client Responsibility For Third Party Fees

Clients are responsible for the payment of all thirdparty fees (i.e. custodian fees, brokerage fees, mutual fund fees, transaction fees, etc.). Those fees are separate and distinct from the fees and expenses charged by CatalinaCap. Please see Item 12 of this brochure regarding broker-dealer/custodian.

D. Prepayment of Fees

CatalinaCap collects certain fees in advance and certain fees in arrears, as indicated above. Refunds for fees paid in advance will be returned within fourteen days to the client via check, or return deposit back into the client's account.

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.)

Fixed fees that are collected in advance will be refunded based on the prorated amount of work completed at the point of termination.

E. Outside Compensation For the Sale of Securities to Clients

Neither CatalinaCap 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

CatalinaCap 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 CatalinaCap or its supervised persons have an incentive to favor accounts for which CatalinaCap and its supervised persons receive a performance-based fee. CatalinaCap addresses the conflicts by ensuring that clients are not systematically advantaged or disadvantaged due to the presence or absence of performance-based fees. CatalinaCap seeks best execution and upholds its fiduciary duty for all clients.

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

Item 7: Types of Clients

CatalinaCap generally provides advisory services to the following types of clients:

- ❖ Individuals
- ❖ High-Net-Worth Individuals
- ❖ Pension and Profit Sharing Plans
- ❖ Corporations or Business Entities

There is no account minimum for any of CatalinaCap's services.

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

A. Methods of Analysis and Investment Strategies

Methods of Analysis

CatalinaCap's methods of analysis include Charting analysis, Cyclical analysis, Fundamental analysis, Modern portfolio theory, Quantitative analysis and Technical analysis.

Charting analysis involves the use of patterns in performance charts. CatalinaCap 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

CatalinaCap uses long term trading, short term trading, 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.

B. Material Risks Involved

Methods of Analysis

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

CatalinaCap's use of margin transactions and options trading generally holds greater risk, and clients should be aware that there is a material risk of loss using any of those 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.

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.

Selection of Other Advisers: Although CatalinaCap will seek to select only money managers who will invest clients' assets with the highest level of integrity, CatalinaCap's selection process cannot ensure that money managers will perform as desired and CatalinaCap will have no control over the day-to-day operations of any of its selected money managers. CatalinaCap would not necessarily be aware of certain activities at the underlying money manager level, including without limitation a money manager's engaging in unreported risks, investment "style drift" or even regulatory breaches or fraud.

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

CatalinaCap's use of 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 (leaving aside Treasury Inflation Protected/Inflation Linked Bonds) 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.

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.

Annuities are a retirement product for those who may have the ability to pay a premium now and want to guarantee they receive certain monthly payments or a return on investment later in the future. Annuities are contracts issued by a life insurance company designed to meet requirement or other long-term goals. An annuity is not a life insurance policy. Variable annuities are designed to be long-term investments, to meet retirement and other long-range goals. Variable annuities are not suitable for meeting short-term goals because substantial taxes and insurance company charges may apply if you withdraw your money early. Variable annuities also involve investment risks, just as mutual funds do.

Hedge funds often engage in leveraging and other speculative investment practices that may increase the risk of loss; can be highly illiquid; are not required to provide periodic pricing or valuation information to investors; May involve complex tax structures and delays in distributing important tax information; are not subject to the same regulatory requirements as mutual funds; and often charge high fees. In addition, hedge funds may invest in risky securities and engage in risky strategies.

Private equity funds carry certain risks. Capital calls will be made on short notice, and the failure to meet capital calls can result in significant adverse consequences, including but not limited to a total loss of investment.

Private placements carry a substantial risk as they are subject to less regulation than are publicly offered securities, the market to resell these assets under applicable securities laws may be illiquid, due to restrictions, and the liquidation may be taken at a substantial discount to the underlying value or result in the entire loss of the value of such assets.

Venture capital funds invest in start-up companies at an early stage of development in the interest of generating a return through an eventual realization event; the risk is high as a result of the uncertainty involved at that stage of development.

Commodities are tangible assets used to manufacture and produce goods or services. Commodity prices are affected by different risk factors, such as disease, storage capacity, supply, demand, delivery constraints and weather. Because of those risk factors, even a well-diversified investment in commodities can be uncertain.

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

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

Mr. Oertle was discharged by Citigroup Global Markets, Inc. on July 11, 2012 for failure to follow Citigroup policy regarding verification of funds transfer requests. In relation to Mr. Oertle's discharge an Acceptance, Waiver and Consent agreement with FINRA was entered on September 30, 2013 in which he would incur sanctions of a fine of \$5000 upon re-association with a FINRA member firm and a 15-business day suspension from association with a member firm which lapsed October 25, 2013.

Item 10: Other Financial Industry Activities and Affiliations

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

Neither CatalinaCap 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 CatalinaCap 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

Philippe Robert Oertle is a commissioner for the City of La Canada Flintridge Parks and Recreation Commission. He is responsible for advising the City Council and City Manager on matters related to the Parks and Recreation as prescribed by the city's ordinances and focus attention on specific issues and problems and recommend actions and alternatives for city council consideration. Mr. Oertle allocates 2 hours a month, outside business trading hours, for this activity.

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

CatalinaCap has discretion to choose third-party investment advisers to manage all or a portion of the client's assets. Clients will pay CatalinaCap its standard fee in addition to the standard fee for the advisers to which it directs those clients. This relationship will be memorialized in each contract between CatalinaCap and each third-party advisor. The fees will not exceed any limit imposed by any regulatory agency. CatalinaCap will always act in the best interests of the client, including when determining which third-party investment adviser to recommend to clients. CatalinaCap will ensure that all recommended advisers are licensed or notice filed in the states in which CatalinaCap is recommending them to clients.

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

A. Code of Ethics

CatalinaCap 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. CatalinaCap's Code of Ethics is available free upon request to any client or prospective client.

B. Recommendations Involving Material Financial Interests

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

C. Investing Personal Money in the Same Securities as Clients

From time to time, representatives of CatalinaCap may buy or sell securities for themselves that they also recommend to clients. This may provide an opportunity for representatives of CatalinaCap 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. CatalinaCap 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 CatalinaCap may buy or sell securities for themselves at or around the same time as clients. This may provide an opportunity for representatives of CatalinaCap 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, CatalinaCap will never engage in trading that operates to the client's disadvantage if representatives of CatalinaCap 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 will be recommended based on CatalinaCap's 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 CatalinaCap 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 CatalinaCap's research efforts. CatalinaCap will never charge a premium or commission on transactions, beyond the actual cost imposed by the broker-dealer/custodian.

CatalinaCap will require clients to use TD Ameritrade Institutional, a division of TD Ameritrade, Inc. Member FINRA/SIPC.

1. Research and Other Soft-Dollar Benefits

While CatalinaCap has no formal soft dollars program in which soft dollars are used to pay for third party services, CatalinaCap may receive research, products, or other services from custodians and broker-dealers in connection with client securities transactions ("soft dollar benefits"). CatalinaCap may enter into soft-dollar arrangements consistent with (and not outside of) the safe harbor contained in Section 28(e) of the Securities Exchange Act of 1934, as amended. There can be no assurance that any particular client will benefit from soft dollar research, whether or not the client's transactions paid for it, and CatalinaCap does not seek to allocate benefits to client accounts proportionate to any soft dollar credits generated by the accounts. CatalinaCap benefits by not having to produce or pay for the research, products or services, and CatalinaCap will have an incentive to recommend a broker-dealer based on receiving research or services. Clients should be aware that CatalinaCap's acceptance of soft dollar benefits may result in higher commissions charged to the client.

2. Brokerage for Client Referrals

CatalinaCap 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

CatalinaCap will require clients to use a specific broker-dealer to execute transactions. Not all advisers require clients to use a particular broker-dealer.

B. Aggregating (Block) Trading for Multiple Client Accounts

CatalinaCap does not aggregate or bunch the securities to be purchased or sold for multiple clients. This may result in less favorable prices, particularly for illiquid securities or during volatile market conditions.

Item 13: Review of Accounts

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

All client accounts for CatalinaCap's advisory services provided on an ongoing basis are reviewed at least Monthly by Chris Frantz, Managing Director, with regard to clients' respective investment policies and risk tolerance levels. All accounts at CatalinaCap are assigned to this reviewer.

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).

C. Content and Frequency of Regular Reports Provided to Clients

Each client of CatalinaCap's advisory services provided on an ongoing basis will receive a monthly report detailing the client's account, including assets held, asset value, and calculation of fees. This written report will come from the custodian.

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)

CatalinaCap participates in the institutional advisor program (the "Program") offered by TD Ameritrade. TD Ameritrade offers to independent investment advisor services which include custody of securities, trade execution, clearance and settlement of transactions. CatalinaCap receives some benefits from TD Ameritrade through its participation in the Program.

As part of the Program, CatalinaCap may recommend TD Ameritrade to clients for custody and brokerage services. There is no direct link between CatalinaCap's participation in the Program and the investment advice it gives to its clients, although CatalinaCap receives economic benefits through its participation in the Program that are typically not available to TD Ameritrade retail investors. These benefits include the following products and services (provided without cost or at a discount): receipt of duplicate client statements and confirmations; research related products and tools; consulting services; access to a trading desk serving CatalinaCap participants; access to block trading (which provides the ability to aggregate securities transactions for execution and then allocate the appropriate shares to client accounts); the ability to have CatalinaCap's fees deducted directly from client accounts; access to an electronic communications network for client order entry and account information; access to mutual funds with no transaction fees and to certain institutional money managers; and discounts on compliance, marketing, research, technology, and practice management products or services provided to CatalinaCap by third party vendors. TD Ameritrade may also pay for business consulting and professional services received by CatalinaCap's related persons. Some of the products and services made available by TD Ameritrade through the Program may benefit CatalinaCap but may not benefit its client accounts. These products or services may assist CatalinaCap in managing and administering client accounts, including accounts not maintained at TD Ameritrade. Other services made available by TD Ameritrade are intended to help CatalinaCap manage and further develop its business

enterprise. The benefits received by CatalinaCap or its personnel through participation in the Program do not depend on the amount of brokerage transactions directed to TD Ameritrade. As part of its fiduciary duties to clients, CatalinaCap endeavors at all times to put the interests of its clients first. Clients should be aware, however, that the receipt of economic benefits by CatalinaCap or its related persons in and of itself creates a conflict of interest and may indirectly influence the CatalinaCap's choice of TD Ameritrade for custody and brokerage services.

B. Compensation to Non – Advisory Personnel for Client Referrals

CatalinaCap may, via written agreement, retain third parties to act as solicitors for CatalinaCap's investment management services. Solicitor relationships will be fully disclosed to each Client to the extent required by applicable law. CatalinaCap will ensure each solicitor is exempt, notice filed, or properly registered in all appropriate jurisdictions. All such referral activities will be conducted in accordance with Rule 206(4)-3 under the Advisers Act, where applicable.

Item 15: Custody

When advisory fees are deducted directly from client accounts at client's custodian, CatalinaCap will be deemed to have limited custody of client's assets. Because client fees will be withdrawn directly from client accounts, in states that require it, CatalinaCap will:

- (A) Possess written authorization from the client to deduct advisory fees from an account held by a qualified custodian.
- (B) Send the qualified custodian written notice of the amount of the fee to be deducted from the client's account and verify that the qualified custodian sends invoices to the client.
- (C) Send the client a written invoice itemizing the fee upon or prior to fee deduction, including the formula used to calculate the fee, the time period covered by the fee and the amount of assets under management on which the fee was based.

Clients will receive all account statements and billing invoices that are required in each jurisdiction, and they should carefully review those statements for accuracy. Clients are urged to compare the account statements they received from custodian with those they received from CatalinaCap.

Custody is also disclosed in Form ADV because CatalinaCap has authority to transfer money from client account(s), which constitutes a standing letter or authorization (SLOA). Accordingly, CatalinaCap will follow the safeguards specified by the SEC rather than undergo an annual audit.

Item 16: Investment Discretion

CatalinaCap provides discretionary and non-discretionary investment advisory services to clients. The advisory contract established with each client sets forth the discretionary authority for trading. Where investment discretion has been granted, CatalinaCap generally manages the client's account and makes investment decisions without consultation with the client as to when the securities are to be bought or sold for the account, the total amount of the securities to be bought/sold, what securities to buy or sell, or the price per share. Clients with discretionary accounts will execute a limited power of attorney to evidence discretionary authority. Where CatalinaCap does not have discretionary authority to place trade orders, CatalinaCap will secure client permission prior to effecting securities transactions for the client's account.

Item 17: Voting Client Securities (Proxy Voting)

CatalinaCap 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 18: Financial Information

A. Balance Sheet

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

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

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

C. Bankruptcy Petitions in Previous Ten Years

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