

## Item 1: Cover Page

# **MTM Investment Management, LLC**

## Form ADV Part 2A – Appendix 1

### Wrap Fee Program Brochure

March 13, 2020

This wrap fee program brochure (the “Wrap Brochure”) provides information about the qualifications and business practices of MTM Investment Management, LLC (“MTM”). If you have any questions about the contents of this Wrap Brochure, please contact John Moore, Chief Compliance Officer, at 864.582.7000 and/or [john@mtminvest.com](mailto:john@mtminvest.com). The information in this Wrap Brochure has not been approved or verified by the United States Securities and Exchange Commission or by any state securities authority.

Additional information about MTM is also available on the SEC’s website at [www.adviserinfo.sec.gov](http://www.adviserinfo.sec.gov). You may search this site using a unique identifying number, known as a CRD number, MTM Investment Management, LLC’s CRD Number is 297500.

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## **Item 2: Summary of Material Changes**

This Wrap Brochure is a document that MTM provides to clients of its wrap program as required by SEC Rules. The purpose of Item 2 of the Wrap Brochure is to provide clients with a summary of new and/or updated information that is contained in the remainder of the Wrap Brochure. Since the filing of the previous Wrap Brochure on February 1, 2019, there have been no material changes to this Wrap Brochure.

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## **Item 4: Services, Fees and Compensation**

### **Firm Description**

MTM Investment Management, LLC, a South Carolina limited liability company, was formed in May 2018, and provides financial and investment advisory services to its clients.

The principal owners of MTM are D.C. Taylor & Co., LLC and Moore Capital, LLC.

### **Types of Advisory Services**

MTM provides investment advisory services and financial planning to its clients. In most cases, MTM performs financial planning as part of investment advisory services; however, MTM may perform separate financial planning services, if requested by a client or prospective client. MTM also provides advisory services to retirement plans and plan participants.

At the outset of each client relationship, MTM spends time with the client, asking questions, discussing the client's investment experience and financial circumstances, and broadly identifying major goals of the client. Based on its reviews, MTM generally develops with each client:

- a financial outline for the client based on the client's financial circumstances and goals, and the client's risk tolerance level (the "Financial Profile"); and
- the client's investment objectives and guidelines (the "Investment Plan")

The Financial Profile is a reflection of the client's current financial picture and a look to the future goals of the client. The Investment Plan outlines the types of investments MTM will make or recommend on behalf of the client based on MTM's own research and analysis in order to meet those goals. The elements of the Financial Profile and the Investment Plan are discussed periodically with each client, but are not necessarily written documents.

### **Investment Advisory Services – Individuals and Trusts**

MTM provides advice to clients regarding investment of client funds based on the Investment Plan, which will be updated from time to time when requested by the client or when determined to be necessary or advisable by MTM based on updates to the client's financial or other circumstances.

To implement the client's Investment Plan, MTM will manage the client's investment portfolio on a discretionary or a non-discretionary basis pursuant to an investment advisory agreement with the client. As a discretionary investment adviser, MTM will have the authority to supervise and direct the portfolio without prior consultation with the client. Clients who choose a non-discretionary arrangement must be contacted prior to the execution of any trade in the account(s) under management. This may result in a delay in executing recommended trades, which could adversely affect the performance of the portfolio. This delay also normally means the affected account(s) will not be able

to participate in block trades, a practice designed to enhance the execution quality, timing and/or cost for all accounts included in the block. In a non-discretionary arrangement, the client retains the responsibility for the final decision on all actions taken with respect to the portfolio.

Notwithstanding the foregoing, clients may impose certain written restrictions on MTM in the management of their investment portfolios, such as prohibiting the inclusion of certain types of investments in an investment portfolio or prohibiting the sale of certain investments held in the account at the commencement of the relationship. Each client should note, however, that restrictions imposed by a client may adversely affect the composition and performance of the client's investment portfolio. Each client should also note that his or her investment portfolio is treated individually by giving consideration to each purchase or sale for the client's account. For these and other reasons, performance of client investment portfolios within the same investment objectives, goals and/or risk tolerance may differ and clients should not expect that the composition or performance of their investment portfolios would necessarily be consistent with similar clients of MTM.

MTM offers financial planning services, which may include a review of a variety of aspects of a client's current financial situation, including the following components: cash management, risk management, insurance, education funding, goal setting, retirement planning, estate and charitable giving planning, tax planning, and capital needs planning. Clients understand that when MTM is engaged to address only certain components, the client's overall financial and investment issues may not be taken into consideration.

MTM spends time with financial planning clients, reviewing risk tolerance, financial goals and objectives, and time horizons. Additional discussions may cover a review of additional financial information, including: sources of income, assets owned, existing insurance, liabilities, wills, trusts, business agreements, tax returns, investments, and personal and family obligations.

### MTM Wrap Program

A "wrap fee program" provides the client with advisory, brokerage execution, clearing, custodial and other administrative services for an all-inclusive fee. The client is not charged separate fees for the respective components of the total service. In a wrap account, clients may allocate their assets among a diversified range of securities or managed portfolios, including portfolios of equities, fixed-income securities, options, and more conservative short-term fixed-income securities.

MTM offers discretionary asset management services through the MTM Wrap Program (the "MTM Wrap Program" or the "Program"), for which MTM serves as the sponsor. MTM generally recommends the following types of investments in the MTM Wrap Program: individual equity and/or fixed income securities, mutual funds, exchange traded funds ("ETFs"), alternative investments, real estate investment trusts ("REITs"), closed-end funds, and options. In addition to these types of individual securities, MTM may construct and manage a fixed-income portfolio for a client. Fixed-income portfolios may include any combination of individual bonds of municipal, other governmental and

corporate entities, and mutual funds and ETFs that invest in fixed-income securities. MTM seldom recommends alternative investments but may do so if a client requests such an investment and/or MTM believes that an alternative investment recommendation is in the best interests of that client.

## **Fees and Compensation**

MTM bases its fees on a percentage of assets under management. MTM's fee schedule is described below.

MTM generally does not charge a separate fee for financial planning services.

### **MTM Wrap Program**

In a wrap program, the client pays a single fee that covers the fees for advisory, brokerage execution, clearing, custodial and other administrative services. These services are provided by MTM and/or one or more broker-dealers. Any portion of the single fee that is not paid to third parties is retained by MTM as its investment advisory fee. Because of this, MTM may have a disincentive to trade securities in client accounts. However, MTM pays a flat fee for all transaction and execution expenses to help mitigate against this conflict of interest. The portion of the single wrap fee that compensates MTM is negotiable. The wrap fee is based on the type of securities in the account(s) and the amount of assets in the account(s), as follows:

In the MTM Wrap Program, the client pays the following maximum annual fees on assets invested:

<u>Account Value</u>	<u>Annualized Fee</u>
First \$200,000	2.00%
Next \$300,000	1.75%
Amounts over \$500,000	1.25%

The wrap fee is paid quarterly in advance. When an account is opened, the wrap fee is billed for the remainder of the calendar quarter in which the account is opened. Subsequently, the quarterly wrap fee is based on the value of the assets in the account(s) on the last business day of the previous calendar quarter. If the investment advisory agreement is terminated before the end of the calendar quarter in which a wrap fee has been paid, MTM will provide a refund of the unearned wrap fee to the client based on the number of days in the quarter in which the client's assets were not invested in the Wrap Program. This wrap fee is deducted directly from each client's account. MTM's investment advisory fee is included in this wrap fee.

Mutual funds and/or ETFs may charge underlying fees; as such, there may be additional fees paid by the client outside of the single wrap fee charged by MTM.

MTM's brokerage practices are described below in Item 12 - Brokerage Practices.

### **Agreement Terms**

A client may terminate the investment advisory agreement at any time by notifying MTM

in writing.

### **Other Compensation**

David Taylor, the Chief Executive Officer and Chief Investment Officer of MTM, is licensed to sell insurance. In providing investment advisory and financial planning services, Mr. Taylor may recommend the purchase of products under circumstances where he would be entitled to receive a commission or other compensation in the transaction. Clients are not obligated to use any company for insurance product purchases, and may work with any insurance agent they choose. Insurance compensation will be separate and distinct from investment advisory fees charged by MTM.

### **General Information on Compensation and Other Fees**

In certain circumstances, fees, account minimums, and payment terms are negotiable depending on the client's unique situation – such as the size of the aggregate related party portfolio size, family holdings, low cost basis securities, or certain passively advised investments and pre-existing relationships with clients. Certain clients may pay more or less than others depending on the amount of assets, type of portfolio, or the time involved, the degree of responsibility assumed, complexity of the engagement, special skills needed to solve problems, the application of experience and knowledge of the client's situation.

All fees paid to MTM for investment advisory services are separate and distinct from the fees and expenses charged by mutual funds and variable annuity sub-accounts to their shareholders. These fees and expenses are described in each fund's or sub-account's prospectus. These fees will generally include a management fee, other expenses, and a possible distribution fee. If the fund also imposes sales charges, a client may pay an initial or deferred sales charge.

A client could invest in a mutual fund or sub-account directly, without the services of MTM. In that case, the client would not receive the services provided by MTM which are designed, among other things, to assist the client in determining which mutual funds or sub-accounts are most appropriate to each client's financial condition and objectives. Accordingly, the client should review both the fees charged by the funds and sub-accounts and the fees charged by MTM to fully understand the total amount of fees to be paid by the client and to thereby evaluate the advisory services being provided.

Clients should note that similar investment advisory services may (or may not) be available from other registered investment advisers for similar or lower fees.

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

### **Types of Clients**

MTM provides investment advisory services to families, individuals, trusts, and retirement plans.

## **Account Minimums**

MTM requires a minimum account size of \$500,000, although this may be negotiable under certain circumstances. MTM may reduce this minimum account size or combine related-party accounts to satisfy the minimum account size.

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

The MTM Wrap Program was designed to simplify for clients the payment of management fees and brokerage expenses. The Program does not select advisers in addition to MTM, which is the only portfolio manager for the Program. Please refer to additional information found in the following Items of ADV Part 2A, which accompanies this Wrap Brochure: Item 4 – Advisory Business; Item 6 – Performance-Based Fees and Side-By-Side Management; Item 8 – Methods of Analysis, Investment Strategies and Risk of Loss; and Item 17 – Voting Client Securities.

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

MTM is the only portfolio manager under the MTM Wrap Program. MTM may utilize other sub-advisers at its discretion.

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

MTM is the only direct portfolio manager under the MTM Wrap Program. No restrictions are placed on client's ability to contact or consult with MTM.

## **Item 9: Additional Information**

Neither MTM nor its management persons have any disciplinary disclosure required. Please see ADV Part 2A for more information in the following areas: Item 10 - Other Financial Industry Activities and Affiliations, Item 11 - Code of Ethics, Item 13 - Review of Accounts, Item 14 - Client Referrals and Other Compensation, and Item 18 - Financial Information.