

# Loop Investment Advisors LLC

## Firm Brochure - Form ADV Part 2A

*This brochure provides information about the qualifications and business practices of Loop Investment Advisors LLC. If you have any questions about the contents of this brochure, please contact us at (312) 870-1572 or by email at: [tnaughton@rcmam.com](mailto:tnaughton@rcmam.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 Loop Investment Advisors LLC is also available on the SEC's website at [www.adviserinfo.sec.gov](http://www.adviserinfo.sec.gov). Loop Investment Advisors LLC's CRD number is: 297928.*

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

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## **Item 2: Material Changes**

The material changes in this brochure from the last annual updating amendment of Loop Investment Advisors LLC on 02/03/2020 are described below. Material changes relate to Loop Investment Advisors LLC's policies, practices or conflicts of interests.

- Loop Investment Advisors LLC has updated custody (Item 15).

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## **Item 4: Advisory Business**

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

Loop Investment Advisors LLC (hereinafter “LOOP”) is a Limited Liability Company organized in the State of Florida. The firm was formed in June 2018, and the principal owner is RCM Group Investments LLC.

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

#### ***Portfolio Management Services***

LOOP offers ongoing portfolio management services based on the individual goals, objectives, time horizon, and risk tolerance of each client. LOOP creates an Investment Policy Statement for each client, which outlines the client’s current situation (income, tax levels, and risk tolerance levels) and then constructs a plan to aid in the selection of a portfolio that matches each client's specific situation. 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

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

LOOP seeks to provide that investment decisions are made in accordance with the fiduciary duties owed to its accounts and without consideration of LOOP’s economic, investment or other financial interests. To meet its fiduciary obligations, LOOP attempts to avoid, among other things, investment or trading practices that systematically advantage or disadvantage certain client portfolios, and accordingly, LOOP’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 LOOP’s policy to allocate investment opportunities and transactions it identifies as being appropriate and prudent among its clients on a fair and equitable basis over time.

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

LOOP generally limits its investment advice to mutual funds, fixed income securities, equities, ETFs, treasury inflation protected/inflation linked bonds and commodities. LOOP may use other securities as well to help diversify a portfolio when applicable.

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

LOOP will tailor a program for each individual client. This will include an interview session to get to know the client's specific needs and requirements as well as a plan that will be executed by LOOP on behalf of the client. LOOP may use model allocations together with a specific set of recommendations for each client based on their personal restrictions, needs, and targets. Clients may not impose restrictions in investing in certain securities or types of securities in accordance with their values or beliefs.

### **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, and certain other administrative fees. LOOP does not participate in wrap fee programs.

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

LOOP has the following assets under management:

Discretionary Amounts:	Non-discretionary Amounts:	Date Calculated:
\$400,000	\$0	December 2019

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

### **A. Fee Schedule**

#### *Portfolio Management Fees*

Total Assets Under Management	Annual Fees
All Assets	1.50%

LOOP uses an average of the daily balance in the client's account throughout the billing period, after taking into account deposits and withdrawals, for purposes of determining the market value of the assets upon which the advisory fee is based.

These fees are generally negotiable, and the final fee schedule will be memorialized in the client's advisory agreement. Clients may terminate the agreement without penalty for a full refund of LOOP's fees within five business days of signing the Investment Advisory Contract. Thereafter, clients may terminate the Investment Advisory Contract generally with 30 days' written notice.

## ***Performance-Based Fees for Portfolio Management***

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

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

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

### **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 arrears.

#### ***Payment of Performance-Based Portfolio Management Fees***

Performance-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 arrears.

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

Clients are responsible for the payment of all third party 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 LOOP. Please see Item 12 of this brochure regarding broker-dealer/custodian.

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

LOOP collects its fees in arrears. It does not collect fees in advance.

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

Edmund Joseph Sweeney is a registered representative of a broker-dealer and in this role, accepts compensation for the sale of investment products to LOOP clients.

### ***1. This is a Conflict of Interest***

Supervised persons may accept compensation for the sale of investment products, including asset based sales charges or service fees from the sale of mutual funds to LOOP's clients. This presents a conflict of interest and gives the supervised person an incentive to recommend products based on the compensation received rather than on the client's needs. When recommending the sale of investment products for which the supervised persons receives compensation, LOOP will document the conflict of interest in the client file and inform the client of the conflict of interest.

### ***2. Clients Have the Option to Purchase Recommended Products From Other Brokers***

Clients always have the option to purchase LOOP recommended products through other brokers or agents that are not affiliated with LOOP.

### ***3. Commissions are not LOOP's primary source of compensation for advisory services***

Commissions are not LOOP's primary source of compensation for advisory services.

### ***4. Advisory Fees in Addition to Commissions or Markups***

Advisory fees that are charged to clients are not reduced to offset the commissions or markups on investment products recommended to clients.

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

LOOP manages accounts that are billed on performance-based fees (a share of capital gains on or capital appreciation of the assets of a client) and may as well manage accounts that are not billed on performance-based fees. Managing both kinds of accounts at the same time presents a conflict of interest because LOOP and/or its supervised persons have an incentive to favor accounts for which LOOP receives a performance-based fee. LOOP addresses the conflicts by ensuring that clients are not systematically advantaged or disadvantaged due to the presence or absence of performance-based fees. LOOP seeks best execution and upholds its fiduciary duty for all clients.

Clients 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

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

- ❖ High-Net-Worth Individuals
- ❖ Pooled Investment Vehicles
- ❖ Corporations or Business Entities

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

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

### A. Methods of Analysis and Investment Strategies

#### *Methods of Analysis*

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

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

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

**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*

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

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

## **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.

**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*

LOOP's use of short sales, 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.

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

**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**

LOOP's use of short sales, margin transactions and options trading generally holds greater risk of capital loss. Clients should be aware that there is a material risk of loss using any investment strategy. The investment types listed below (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.

**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.

**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**

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**

As a registered representative of RCM Securities, Edmund Joseph Sweeney accepts compensation for the sale of securities.

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

Neither LOOP 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**

Edmund Joseph Sweeney is a registered representative. From time to time, he will offer clients advice or products from this activity. Clients should be aware that these services pay a commission and involve a possible conflict of interest, as commissionable products can conflict with the fiduciary duties of a registered investment adviser. Loop Investment Advisors LLC always acts in the best interest of the client; including in the sale of commissionable products to advisory clients. Clients are in no way required to utilize the services any representative of Loop Investment Advisors LLC in such individual's outside capacity.

Edmund Joseph Sweeney operates RCM Alternatives, an independent IB. From time to time, he will offer clients advice or products from those activities. Loop Investment Advisors LLC always acts in the best interest of the client. Clients are in no way required to utilize the services of any representative of Loop Investment Advisors LLC in his outside business activity.

Edmund Joseph Sweeney is a lawyer. From time to time, he will offer clients advice or products from this activity. Loop Investment Advisors LLC always acts in the best interest

of the client. Clients are in no way required to utilize the services of any representative of Loop Investment Advisors LLC in their capacity as a lawyer.

Edmund Joseph Sweeney operates Attain Portfolio Advisors, LLC, a commodity pool operator and commodity trading advisor. From time to time, he will offer clients advice or products from those activities. Loop Investment Advisors LLC always acts in the best interest of the client. Clients are in no way required to utilize the services of any representative of Loop Investment Advisors LLC in his outside business activity.

Walnut Lane, LLC, is controlled by Edmund Sweeney and located at 7115 Stewart Rd, Liberty Missouri. This business was formed for the purpose of purchasing a mobile home park, but the purchase never occurred. The company has no assets. Edmund Sweeney was the registered agent.

RCM Risk Advisors, LLC is under common control with Edmund Sweeney, located at 318 W Adams, Chicago, IL. Edmund Sweeney, indirect ownership, on the board of managers. Provides risk analysis and consulting services primary for portfolios of futures and exchange traded options on futures and securities.

Mad Croc Brands, Inc is under common control with Edmund Sweeney, located as 833 S Deerfield Ave, Unit 6 Deerfield beach, FL. Edmund Sweeney, Director and Lega Avisor with less than 5% shareholder status.

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

LOOP does not utilize nor select third-party investment advisers.

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

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

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

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

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

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

LOOP will not recommend to clients securities in which the firm or its representatives also invest.

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

Please see Item 11.C above.

# **Item 12: Brokerage Practices**

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

Custodians/broker-dealers will be recommended based on LOOP'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 LOOP 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 LOOP's research efforts. LOOP will never charge a premium or commission on transactions, beyond the actual cost imposed by the broker-dealer/custodian.

LOOP recommends Interactive Brokers LLC.

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

LOOP receives no research, product, or services other than execution from broker-dealers or custodians in connection with client securities transactions ("soft dollar benefits").

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

LOOP 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***

LOOP may permit clients to direct it to execute transactions through a specified broker-dealer. If a client directs brokerage, then the client will be required to acknowledge in writing that the client's direction with respect to the use of brokers supersedes any authority granted to LOOP to select brokers; this direction may result in higher commissions, which may result in a disparity between free and directed accounts; and trades for the client and other directed accounts may be executed after trades for free accounts, which may result in less favorable prices, particularly for illiquid securities or during volatile market conditions. Not all investment advisers allow their clients to direct brokerage.

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

LOOP 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 LOOP's advisory services provided on an ongoing basis are reviewed at least Quarterly by Edmund Sweeney, President, with regard to clients' respective investment policies and risk tolerance levels. All accounts at LOOP 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 LOOP'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)**

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

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

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

### **Item 15: Custody**

When advisory fees are deducted directly from client accounts at client's custodian, LOOP will be deemed to have limited custody of client's assets and must have written authorization from the client to do so. Clients will receive all account statements and billing invoices that are required in each jurisdiction, and they should carefully review those statements for accuracy.

LOOP may also be deemed to have custody over the funds and securities invested in pooled investment vehicles it that LOOP manages.

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

LOOP does not have discretion over client accounts at any time.

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

LOOP 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**

LOOP neither requires nor solicits prepayment of more than \$1,200 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 LOOP nor its management has any financial condition that is likely to reasonably impair LOOP's ability to meet contractual commitments to clients.

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

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