

# Tailwind Investments, LLC

## Efficient Goal-Based Solutions

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Form ADV, Part 2; the “Disclosure Brochure” as required by the Investment Advisers Act of 1940 is a very important document between Clients and Tailwind Investments, LLC (“Tailwind Investments”). This Disclosure Brochure provides information about our qualifications and business practices.

***This Disclosure Brochure provides information about the qualifications and business practices of Tailwind Investments, LLC. If you have any questions about the contents of this Disclosure Brochure, please contact Tailwind Investments, LLC at 800-677-6025 or [support@TailwindInvestments.com](mailto:support@TailwindInvestments.com). The information in this Disclosure Brochure has not been approved or verified by the United States Securities and Exchange Commission (SEC) or by any State Securities Authority.***

***Additional information about Tailwind Investments, LLC also is available at the SEC’s website [www.adviserinfo.sec.gov](http://www.adviserinfo.sec.gov) (click on the link, select investment adviser firm” and type in our firm name). Results will provide you both Part 1 and 2 of our Form ADV.***

Tailwind Investments, LLC is a SEC registered investment adviser. Tailwind Investments, LLC’s registration as an investment adviser does not imply any level of skill or training. The oral and written communications provided to you, including this Disclosure Brochure, is information you use to evaluate Tailwind Investments (and other advisers) which are factors in your decision to hire Tailwind Investments, LLC or to continue to maintain a mutually beneficial relationship.

### **ITEM 2: Material Changes**

#### **What is in this Current Brochure**

This is Tailwind Investments, LLC’s annual update filing of the Form ADV Part 2. This Brochure, dated February 29, 2020, is the amended filing of Form ADV Part 2 for Tailwind Investments, LLC.

The amendment in this Brochure includes the following: The name changed to Tailwind Investments LLC (formally E3 Investments LLC) is represented throughout the document.

#### **Future Filings**

In future filings, this section of the Disclosure Brochure will address only those “material changes” that have been incorporated since the last delivery or posting of this document on the SEC’s public disclosure website (IARD) [www.adviserinfo.sec.gov](http://www.adviserinfo.sec.gov).

We may, at any time, update this Disclosure Brochure and either send you a copy or offer to send you a copy at no cost to you (either by electronic means (email) or in hard copy form).

**How to Obtain a Current Brochure**

If you would like another copy of this Disclosure Brochure, please download it from the SEC Website as indicated above or you may contact Client Support at 800-677-6025 or [support@TailwindInvestments.com](mailto:support@TailwindInvestments.com).

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#### **ITEM 4: Advisory Business**

Tailwind Investments, LLC ("Tailwind Investments" and sometimes referred to herein as "us" or "we" or "our" as appropriate) is an investment adviser registered with the SEC. We were established in 2019. Stephen Hammers is the Managing Partner, holding 100% ownership.

All services provided by Tailwind Investments, and described within this document, are via the Tailwind Investments website using technology and software.

We render investment advisory services for institutional and certain individual clients ("client" and sometimes referred to herein as "investor" or "you" or "your") for taxable and tax-exempt accounts; we provide fee-based advisory services to affluent to high net worth wealth clients comprised primarily of families, business owners, and professionals (the "Advisory Clients").

**We do not offer tax or legal advisory services. You should seek outside counsel for these services.**

As of Tailwind Investments' inception, December 31, 2019, we manage Client assets of approximately \$7 million in assets on a discretionary basis. Within the next twelve (12) months, Tailwind Investments expect to have over \$100 million in assets under management.

Our services include the following:

*Investment Management* – We offer discretionary investment management services to clients through "Fee-Based Accounts." In addition, we offer discretionary investment management services through access to "Separately Managed Accounts," a separately managed portfolio strategy. The advisory services we offer are provided using investment which includes mutual funds, exchange traded funds ("ETFs"), bonds, and other vehicles as appropriate.

*Investment Discretion.* Generally, we exercise full investment discretion over our clients' investment management accounts, including through Fee-Based Accounts. However, in some cases we do not exercise investment discretion and instead provide investment recommendations. If we do not exercise investment discretion, either you or a third party designated by you have full responsibility for investment decisions. If a client has special needs and/or restrictions that require a portion of his portfolio to be held outside of our Model Portfolios, a separate non-discretionary account will be opened to house those funds. Such funds will be managed in line with the special needs and/or restrictions applicable to the account, and the account will incur an advisory fee.

*Investment Consulting (Sub-Advisory)* – We offer online investment management advice to unaffiliated investment providers. Our services are directly to the investment company; which is indirectly to the individuals participating in the investment pools. The advice we provide is tailored to the pooled vehicles, not to the individual investors in the pools. Such relationships will be by the contractual relationship to determine the level of service offered. The pooled vehicles are developed by risk tolerance and follow their investment objectives which is outlined in the pool's offering and governing documents. The advisory services we offer are comprised of investment vehicles such as mutual funds, exchange traded funds ("ETFs"), bonds, and other vehicles as appropriate.

*Types of Accounts.* We offer the types of investment management accounts described below:

**Fee Based Accounts:** Our Fee-Based Accounts, each Client investment portfolio will be based on the predetermined need of the investor via the online portal. With an aim to meet the below risk tolerances and regions.

#### Risk Tolerance

- Conservative
- Moderate
- Aggressive

#### Region

- Domestic
- Global

We do not provide securities execution, custodial or other administrative services in connection with our Fee-Based Accounts. Instead, these services are provided by a third-party custodian. To establish a Fee-Based Account relationship, you must designate a third-party custodian acceptable to us and open an account with that third-party custodian.

**Separately Managed Accounts.** We also offer our clients Separately Managed Accounts. If you participate in a separately managed account program, we will assist you in constructing a portfolio comprised of a combination of equity and fixed-income securities, equity exchange-traded funds, and money market mutual funds (or other short-term investment vehicles) that is designed to assist you in pursuing your identified financial goals and is consistent with your risk tolerance.

### **ITEM 5: Fees and Compensation**

We are compensated in different ways depending on the types of services we provide. In the case of investment management services, typically clients pay fees that are based on a percentage of the assets managed by us. In some cases, the percentage (asset based) fees are negotiable, but generally are based on our standard fee schedule.

Tailwind Investments provides fully integrated and automated online investment programs based on the service level needs and the objectives of the investor. All of the services provided through online AI tools.

#### **Financial Planning Tools**

Investors who wish to utilize the financial planning tools without a Tailwind Investments investment portfolio may sign up for our annual financial planning tools service for only \$396 per year, billed quarterly at \$99 per quarter. Our Planning Tools service is as follows:

##### ***Account Aggregation***

Account aggregation helps you keep track of all of your investment accounts, savings accounts, children's accounts, checking, 401k, credit card, loans and many more.

Even though Tailwind Investments many only manage one or two investment portfolios to help meet your needs; you can now track your 401k or any other account you desire. You will be able to view account holdings, asset allocation, performance, account activity and more no matter what account you choose. As long as you have a website and a password for each account, we can combined that for you at your convenience.

### ***Net Worth and Estate Management***

The planning tools of Tailwind Investments can manage all of your assets and liabilities under one umbrella and keep them up to date pending market conditions, additions, deposits or even debt pay downs. You have access to print your financial reports as needed in order to enhance your financial future.

The tools also have the ability to report and maintain your estate, which can include potential tax liability and potential insurance outcomes.

### ***Liability Management***

The comprehensive planning tools have the ability to help you manage your liabilities. These liabilities can include, but are not limited to mortgages, credit cards, automobile loans and personal loans. The planning tools can also help you design a customized debt payoff based on your inputs and specific objectives.

### ***Retirement Planning***

The comprehensive planning tools can be very robust with your most important goals, such as retirement. The tools will help you layout a budget for your future retirement planning income needs. Whether you are in retirement or saving for retirement, the Tailwind Investments tools can help you determine the appropriate amount to save, based on your current savings, investments and pension plan. The tools will even help you calculate your social security check you might receive. The tools can also help you determine your probability of success toward reaching your goals based on multiple scenarios of market conditions.

### ***Other Goal Planning***

Tailwind Investments offers comprehensive financial planning tools to help you reach any financial goal you may have. You will have the ability design your own customized goals, and utilize the enhanced tools to help meet those goals through a series of self-help customized tasks.

These tasks may include a required savings amount and a required return expectation to name a few. You also have the ability to utilize the tax planning tools as it relates to your retirement savings and investments. You will have the ability to customize any specific goal, such as college, wedding, home down-payment and many more.

### ***Account Performance***

Tailwind Investments provides you with a comprehensive performance reporting platform to view your Tailwind Investments account as well as other accounts that you choose to aggregate.

You have the ability to customize performance dates or merely choose our preset dates, which include 1 month, quarter, Year to Date, 1 Year, 3 Year, etc. You may also choose over 1,000 appropriate market indexes for comparison. Or you may compare your accounts to your predetermined return goal for your investments, which may be more appropriate. This is all included, even with our Bronze level service. Please fill out the form below to begin.

## **Managed Service Packages**

### **Bronze Level Service**

Our Bronze level service offers full access to Tailwind's professional investment portfolio management services and online financial planning tools but is not accompanied by online investment or financial planning advice. This allows for the lowest fee available through Tailwind Investments at 0.35%. This service is designed for investors that wish to obtain professional investment management and online planning tools under a cost-effective arrangement. The services include all of the planning tools listed above and our investment portfolio management listed below.

### **Silver, Gold and Platinum Level Service**

The **Silver, Gold and Platinum level of services** below have all the benefits listed below plus online software generated advice and guidance. The level of advice, guidance and personal planning through our interactive planning tools online portal. The level of performance reporting, investment commentary and virtual video reviews will also determine the level of service you choose. The Silver, Gold and Platinum level services include:

#### ***Investment Portfolio Management***

Tailwind Investments offers over 27 customized professional investment portfolios to enable you to reach your predetermined goals based on the questions you answer through our advanced Investment Policy Statement Questionnaire. These investment portfolios are designed and overseen by our Chief Investment Officer, Stephen Hammers. Mr. Hammers has over 25 years designing and implementing investment strategies for investors, financial advisors and investment companies.

The investment portfolios are designed to be cost efficient, tax efficient, and investment efficient in terms of potential risk and reward. Whether you need conservative income, high dividend equity income, low volatility stocks or your objective is to outperform the markets, we design portfolios to help you efficiently achieve your goals.

#### ***Account Performance and Tracking***

The Silver, Gold and Platinum level service provides you with a comprehensive performance reporting platform. It enables you to view your Tailwind Investments accounts along with other accounts that you choose to view.

You have the ability to customize performance dates or merely choose from preset dates. These include monthly, quarterly, or yearly reporting. You can also take a one year, three-year, five year or longer view of your personalized portfolio performance. You may also choose from over 1,000 market indexes to compare to your portfolio. You may also compare your accounts to predetermined investment return goals that you can design.

#### ***Financial Planning Tools***

The Silver, Gold and Platinum level services offers comprehensive financial planning tools to help enable you to design and track the achievement of all your life's financial goals. With an investment management account at Tailwind Investments, you gain access to industry-leading planning tools that you can dynamically utilize to reach your financial objectives. By utilizing our personal and powerful planning tools, Tailwind's planning platform will lead you to set and meet your goals through a series of self-directed, customized tasks to detail where you are currently and where you would like to go. Then, our tools will enable you to measure your progress along that journey.

These tasks may include a required savings amount or an expected return expectation just to name a few possibilities. You also have the ability visualize planning tools as they relate to your retirement savings and investment., For example, you may customize multiple specific goals, such as retirement, children's college planning, wedding, home down-payment and many more. Please see below the level on online advice and guidance offered with this service.

### ***Account Aggregation***

Tailwind Investments offers account aggregation to help you keep track of all of your investment accounts, savings accounts, checking, 401k, credit card, loans and many more.

Even though Tailwind Investments may only manage some of your investment portfolios to help meet your needs, you may track the progress of your 401k or any other account you desire. With Tailwind Investments, you may aggregate and view your account holdings, asset allocation, performance, account activity and more.

### ***Account Level Administration***

You have unlimited access to our online account administration and support. We are delighted to serve all of your account administrative needs should you require assistance with navigating the online site.

**In addition to the services listed above; our Silver, Gold and Platinum service provides the following through our online portal:**

#### ***Silver***

- Education and articles covering many topics
- A quarterly basic performance report sent to your online portal vault reviewing your Tailwind Investments' investment portfolio held at Charles Schwab Institutional.
- Annual reviews through our online planning tools portal
- Our annual fee for this service, which includes all of the items listed above is 0.55%.

#### ***Gold***

- Education and articles covering many topics
- A quarterly comprehensive performance report in your online portal vault reviewing your Tailwind Investments' investment portfolio held at Charles Schwab Institutional.
- A quarterly newsletter reviewing the markets, economy and other items or events that might affect the outcome of your investment portfolio.
- A semiannual review with a financial advisor through our online planning tools portal.
- Our annual fee for this service, which includes all the items listed above is 0.75%.

#### ***Platinum***

- Education and articles covering many topics
- A quarterly comprehensive performance report sent to your online portal vault reviewing your Tailwind Investments' investment portfolio held at Charles Schwab Institutional.
- A personalized video by the Chief Investment Officer or your Financial Advisor reviewing the markets and the economy as well as your investment portfolio with Tailwind Investments. (The video is



focused on general market and economic conditions as well client specific allocation and performance through our interactive technology)

- A quarterly newsletter reviewing the markets, economy and other items or events that might affect the outcome of your investment portfolio.
- A quarterly review through our online planning tools portal.
- Comprehensive financial and estate planning with a financial advisor through our online planning tools portal.
- Our annual fee for this service, which includes all the items listed above is 1.05%.

Tailwinds Investments has a typical account or household minimum of \$75,000. Minimum fees may apply in order to provide the service you need and deserve.

#### **Fees:**

<b>Level of Service</b>	<b>Fee (in basis points)</b>	<b>Minimum Fees Apply</b>
Planning Tools Service	\$396	\$396
Bronze Level Service	0.35% (35 bps)	\$396
Silver Level Service	0.55% (55 bps)	\$450
Gold Level Service	0.75% (75 bps)	\$575
Platinum Level Service	1.05% (105 bps)	\$800

*Other Fees and Charges.* Each account of two or more per household will be charge a technology fee of \$50 per account. In addition to the investment management fees paid to us, Advisory Client will be responsible for all expenses related to their operation, including all costs and expenses of maintaining the operations of the Fund and its investments paid by or on behalf of the Fund, including, without limitation:

- *Mutual Fund and Similar Commissions and Expenses.* Typically, accounts will incur a commission in connection with the purchase or sale of an ETF and such commission will be paid from the assets of the Client's account. Also, all mutual funds, ETFs and similar funds purchased (including money market mutual funds used for investment of cash balances) will have ongoing expenses. These ongoing expenses may include management fees, distribution expenses, 12(b)(1), shareholder servicing, administrative service and similar fees. Fund charges and expenses are subject to change. In some cases, the investment of assets in mutual funds, ETFs and other funds will result in the receipt of additional compensation by us.
- *Brokerage and Custodian Fees and Charges.* Pooled investments (Funds) will incur fees, commissions, charges and expenses of the custodian or clearing broker and any introducing broker. These fees, commissions, charges and expenses are established by the fund's custodian, clearing broker or introducing broker, as applicable, and are subject to change. In addition, the Client will incur all applicable brokerage commissions, transaction charges, exchange fees, SEC fees, wire transfer charges, transfer taxes, electronic fund processing fees and other expenses associated with the transactions within their account.

Professional Investment Advisor consulting services are offered.

- Fees are \$2,500 per quarter.

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

We do not charge advisory fees on a share of the capital appreciation of the funds or securities in a client account (so-called performance-based fees). Advisory fee compensation is charged only as disclosed above (in Item 5).

#### **ITEM 7: Types of Clients**

We provide services to, among others:

- Individuals, including affluent and high net worth individuals
- Trusts, estates and charitable organizations
- Corporations or other business entities
- Registered investment companies (or Client Advisers) that are marketed to retail investors.
- Investment Advisors

In the case of investment management accounts, the minimum investment portfolio is \$100,000.

In some cases, we will permit a client to aggregate related accounts by household. Household is based on immediate family or same last name. To establish a Fee-Based Account or Separately Managed Account relationship, you must have a third-party custodian chosen by Tailwind Investments. Tailwind Investments utilizes the custodial services of Charles Schwab Institutional.

## **ITEM 8: Methods of Analysis, Investment Strategies, and Risk of Loss**

### **Analysis**

*Fee-Based Accounts.* The Diversified Portfolios Team uses a strategic asset allocation, and ongoing monitoring with reallocation within the Model Portfolios.

The investment models are based on the following solution/objectives:

Solution:

1. Meet or beat the stock or bond market over time – The need for income from equities is not important
2. Lower volatility than the stock market, while seeking growth of the portfolio over time
3. The need for dividend income and regular cash flow is important
4. Alternative investments – Need for low to negative correlation to the stock and bond markets
5. Time frame of the specific account goal

*Monitoring and Reallocation.* Tailwind Investments monitors the behavior of the Funds comprising the Model Portfolios and considers implementation of changes in the Funds or the allocation among Funds as needed in order to restore the Model Portfolios to their long-term strategic asset allocation and desired risk parameters.

Our Investment Consulting services are determined mainly by the Clients' guidelines or governing documents. Generally, we utilize a variety of investment instruments in the implementation, including, but not limited to, equity, fixed income, mutual funds, ETFs, futures, and other funds. We seek volatility optimization, utilizing market technical and fundamental analyses to select investments.

Our strategies utilize a broad variety of instruments in its implementation, including, but not limited to, equity, fixed income, mutual funds, ETFs, commodity futures, currency, and other funds. There may be occasions when the strategy may be weighted to meet the results of the Clients guidelines or governing documents.

No guarantee or representation is made that the strategies will be successful, that the targeted return and risk will be achieved or maintained, or that the various investments made in the strategies will have low correlation with each other or with the financial markets in which the strategies invest.

Investing in securities of any kind involves risk of loss that Clients must be aware of and prepared to bear. An investment in any of our strategies involves a significant degree of risk. Therefore, it should be undertaken only by investors capable of evaluating the risks associated with an investment and bearing the risks such investment represents. Each Client must have enough knowledge and experience in financial and business matters to be capable of evaluating the merits and risks of such an investment. The offering and governing documents of each

Client will contain detailed descriptions of certain of the risks associated with an investment in a Client. (See Item 4)

Our investment approach takes into consideration the potential risk of loss and seeks to match the investment strategy employed for you with your tolerance for potential fluctuations in markets and incurring losses. Generally, you must invest in securities that have a higher risk of loss in order to obtain a higher potential for long-term gains. There is no guarantee that our investment strategies will meet your objectives or, in any event, protect your assets from the potential for losses. Depending on the types of securities you invest in, you may face the investment risks described below:

- Portfolios that invest in lower-rated debt securities (commonly referred to as junk bonds) involve additional risks because of the lower credit quality of the securities in the portfolio. As a result, investment in junk bonds may expose clients to a higher level of volatility and increased risk of default.
- International investing involves special risks including greater economic and political instability, as well as currency fluctuation risks, which may be even greater in emerging markets.
- Investments in stocks of small companies involve additional risks. Smaller companies typically have a higher risk of failure and are not as well-established as larger blue-chip companies. Historically, smaller-company stocks have experienced a greater degree of market volatility than the overall market average.
- Investments in real estate have various risks including possible lack of liquidity and devaluation based on adverse economic and regulatory changes.
- The price of commodities, such as gold and currency, is subject to substantial price fluctuations of short periods of time and may be affected by unpredictable international monetary and political policies. The market for commodities is widely unregulated and concentrated investing may lead to higher price volatility.

The above list of risk factors does not assert to be a complete enumeration of the risks involved in an investment in any or all of our strategies. Prospective Clients should read this entire Form ADV and all accompanying materials we provide and consult with your own advisers before deciding whether to invest in the strategies. Further, as the strategies develop and change over time, an investment in the strategies may be subject to additional and different risk factors. We will amend this Brochure if and when any information regarding its investment risks and strategies becomes materially inaccurate. **Past performance is no guarantee of future results.**

#### **ITEM 9: Disciplinary Information**

This section is not applicable to Tailwind Investments. There are no current legal or disciplinary events for either the firm or for Stephen Hammers.

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

Through our website we act as a sub-advisor or other controlling entity in private funds that invest in securities or other investments in which our Clients may be solicited or wish to invest. Please note that Item 12 discuss our allocation policies in more detail and discuss how we strive to minimize conflicts between our Clients separately managed accounts and funds.

We do not act in any capacity as a broker dealer.

#### *Other Tailwind Investments Business and Activities*

As part of our regular business, we provide the above listed services (see Item 4). In the regular course of our advisory, sub-advising; we represent potential purchasers, sellers and other involved parties, including corporations, financial buyers, family offices, shareholders and institutions, with respect to transactions that could give rise to transactions that are suitable for a Client. In such a case, an advisory client would typically require us to act exclusively on its behalf, thereby precluding other Clients from participating in such transactions. Tailwind Investments will be under no obligation to decline any such engagements in order to make an investment

opportunity available to other Clients. In connection with our advisory, portfolio development, and other businesses, we come into possession of information that limits our ability to engage in potential transactions. The Clients' activities are expected to be constrained as a result of the inability of Tailwind Investments personnel to use such information. Such cases will be limited to no more than fifteen (15) clients in a given twelve (12) month period.

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

Tailwind Investments' Code of Ethics ("Code"), adopted pursuant to Rule 204A-1 under the Advisers Act, and confirms we are committed to the highest ideals of honesty and integrity. We demonstrate this commitment through our measures taken to ensure the confidentiality of Client information, prohibition of illegal insider trading and market manipulation, the acceptance of gifts, provision of political donations, and the scrutiny applied to the personal investments and other outside activities of employees. All employees undergo Code of Ethics training annually in addition to certifying annually that they have read and understand the Code.

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

As required by law, we have adopted a Code of Ethics establishing policies and procedures to handle potential conflicts of interest that may arise from providing advisory services to you.

Our Code of Ethics recognizes that we are a fiduciary and is designed so that we meet our fiduciary obligation to you by setting forth standards of conduct for our directors, officers and employees and requiring compliance with federal securities laws.

Our Code of Ethics is based upon the principle that our employees owe a duty to you to conduct their affairs, including their personal securities transactions, in such a manner as to avoid 1) serving their own personal interests ahead of your interests, 2) taking inappropriate advantage of their position as an employee, and 3) any actual or potential conflicts of interest or any abuse of their position of trust and responsibility.

##### ***Our Code of Ethics:***

- Requires that we maintain the confidentiality of your information;
- Prohibits:
  - Insider trading (if we are in possession of material, non-public information);
  - Rumor mongering;
  - The acceptance of gifts and entertainment that exceed our policy standards;
- Requires the reporting of gifts and business entertainment by certain of our employees;
- Requires that certain of our employees report (on an on-going and quarterly basis) all of their personal securities transactions (what we call "reportable securities" as mandated by regulation); and,
- Requires that all of our officers, directors and employees re-certify to our Code of Ethics, identify members of their household and any account to which they have a beneficial ownership (that is, they "own" the account or have "authority" over the account), and identify securities held in certificate form and all securities.

Also, our Code of Ethics also provides that no director, officer or employee may trade securities, either personally or on behalf of others, while in possession of material, non-public information with respect to any such securities, or may communicate material, non-public information to others, other than as required and allowed by the Code of Ethics.

To receive a copy of our Code of Ethics, you should contact your account representative or call us at 800-677-6025.

Investment decisions are made across portfolios by a systematic investment process with parameters set according to specific portfolio targets and guidelines, not by individuals recommending particular investments to

particular end clients. We perform ongoing audits to ensure there is consistency of the investment objective and guidelines for the portfolios. We have controls around access to the output of the investment process and only necessary employees have access to forward-looking trade information.

Our personal trading policy allows employees to purchase or sell similar securities to those purchased and sold for Client accounts. However, all employees are subject to restrictions and monitoring intended to allow reasonable long-term investing yet prevent short-term trading or the ability to trade in a way related to our Client's trading. Personal trading by employees is monitored by our Compliance Department.

## **ITEM 12: Brokerage Practices**

Our decisions to recommend, purchase, sell or hold securities are based on the specific investment objectives, guidelines, restrictions and circumstances of each portfolio. Our metrics are intended to ensure that our execution is in line with its fiduciary duty to clients and established standards for best execution.

Our authority over our client transactions is limited by our internal policies and procedures and each portfolio's investment guidelines. If we assist with selecting brokers and dealers to effect portfolio transactions, we seek to obtain best execution, taking into consideration our best execution policies and procedures as well as the fiduciary duties. We do not enter into any formal arrangements for the receipt of brokerage and research services from executing broker-dealers, although we consider the receipt of technology for proprietary research from a broker. Our best execution policies and procedures are based on several factors including, but not limited to, anonymity, minimal market impact, trade clearing and settlement capability in addition to trade execution commission charges. We realize that cheapest is not always best.

### *Trade Aggregation and Allocation Policy*

We seek to execute trades in a way that minimizes transaction and booking costs and that is designed to ensure fair treatment for all accounts. Orders are often executed in blocks (i.e., there are multiple accounts grouped into single orders) to achieve execution efficiency, cost efficiency, anonymity and to minimize volatility in prices across accounts where possible. When we encounters investment opportunities that are appropriate for more than one Client or fund, or when an aggregated order is only partially filled, we will allocate the investment opportunity or a partially filled order on a fair and equitable basis, based upon the procedures for the portfolio being traded. Generally, Tailwind Investments' fair and equitable approach is to target a proportional distribution of executions across accounts but use some random assignments to handle remainders and in cases where it is beneficial to limit the number of accounts per fill. The random account ordering is determined prior to the execution of each order.

### *Error Policy*

In accordance with internal policies, "trade errors" as, a trade execution error by Tailwind Investments' trader that requires reversal due to a deemed inconsistency with the portfolio's investment intent, where, for example, our trader sold a security that we intended to purchase. When such a trade execution error results in a loss to a Client's portfolio in excess of five thousand dollars (\$5,000), Tailwind Investments will make adjustments in the account to restore the Client's portfolio to the position it would have been had the execution error not occurred and, where required by the terms of the applicable Client contract, provide notification as required by such contract.

We undertake to correct each trade error as soon as practicable upon its discovery. However, because the time required is dependent upon the nature of the error itself, no absolute timetable exists. Our compliance policy is to maintain a written record of all identified trade errors and the ultimate resolution of the trade errors in accordance with the books and records requirements of Rule 204-2 of the Advisers Act.

### *Directed Brokerage*

Tailwind Investments may limit itself to use custodians, futures clearers, brokers, clearinghouses, exchanges or other counterparties that meet certain criteria determined from time to time by us. Clients can request that a broker-dealer or select group of broker-dealers be used to effect transactions in their accounts, or may request that certain broker-dealers be restricted from effecting such transactions. These limitations may result in Clients paying more for such services than would be the case if such decisions were based solely on price.

### **ITEM 13: Review of Accounts**

Investment strategies are reviewed on an ongoing basis to ensure that the performance and strategies are appropriate and suitable for the models objectives. We will provide performance reports to clients through the clients' online portal in accordance with the client's managed service package.

Our investment professionals review portfolio model performance on an ongoing basis. Client performance is reviewed as well to ensure tracking with investment objectives. This analysis includes, but is not limited to, a review of:

- Compliance with the investment strategy and restrictions provided in the offering documents of Fund/Client
- Style Drift
- Performance Attribution
- Potential Conflicts
- Market Conditions

In addition, regular statements or reports should be provided by the Custodian or Brokerage firm that is responsible for handling the account. Tailwind Investments will provide an investment commentary (based on the level of service provided) concerning the overall market and Tailwind Investments' portfolios.

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

We allow for fee discount based on client referrals (see Item 5). Tailwind Investments also may make cash payments to third parties for solicitation activities in accordance with Rule 206(4)-3 of the Advisers Act, to the extent applicable.

### **ITEM 15: Custody**

We do not maintain Custody of client funds or securities other than drafting Client accounts for fees. As such, this Item is not applicable.

### **ITEM 16: Investment Discretion**

Through our online investment management agreements with our Clients, we acts as a limited discretionary investment adviser and may exercise sole authority in accordance with our trading systems, methods, models, strategies and formulas; to determine the securities bought and sold for each account, as well as the amounts thereof, without obtaining specific client consent and without limitation on such authority. Any specific investment guidelines, other related terms set forth in each such agreement, and restrictions are provided in the Fund documents or investment management agreement, as applicable.

### **ITEM 17: Voting Client Securities**

Tailwind Investments does not, vote client proxies. As such, this Item is not applicable.

### **ITEM 18: Financial Information**

To our knowledge, there is no financial condition that is reasonably likely to impair our ability to meet contractual commitments to clients.

### **ITEM 19: State Registered Advisor**

We are a SEC advisor based on the SEC Rule 203A-2(a) exemption. Tailwind Investments, as an online Internet

investment advisor.

The firm's sole executive officer and management person is Mr. Stephen Hammers. Full disclosure related to Mr. Hammers' business background and education is supplied on the Part 2B Brochure Supplement.



## Part 2B of Form ADV: Brochure Supplement–

### **Tailwind Investments, LLC**

6234 Belle Rive Dr.

Brentwood, TN 37027

Phone Number (800)-677-6025

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Stephen Hammers

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**July 1, 2019**

This brochure supplement provides information about the members of Tailwind Investments, LLC senior management (the “Supervised Persons”) and supplements the Tailwind Investments, LLC disclosure brochure. You should have received a copy of the Tailwind Investments, LLC disclosure brochure. Please contact Support at 800-677-6025 if you did not receive Tailwind Investments, LLC's disclosure brochure or if you have any questions about the contents of this supplement. Additional information each of the Supervised Persons is available on the SEC’s website at [www.adviserinfo.sec.gov](http://www.adviserinfo.sec.gov).

### **General Information and Definitions**

Tailwind Investments, LLC (“Tailwind Investments”) is registered as an investment adviser and offers clients a variety of investment advisory and portfolio development services. The general advisory services provided by Tailwind Investments are described in more detail in Tailwind Investments’ Form ADV Part 2 Disclosure Brochure (the “Tailwind Investments General Disclosure Brochure”).

Please contact us (800) 677-6025 if you did not receive the Tailwind Investments Disclosure or if you have any questions about the contents of this supplement. Tailwind Investments’ registration as an investment adviser does not imply any level of skill or training.

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**Stephen Hammers, Managing Partner**

**Address:** 6234 Belle Rive Dr, Brentwood, TN 37027

**Phone Number:** (800) 677-6025 Ext 700

### **Item 2 Educational Background and Business Experience**

**Full Legal Name:** Stephen Hammers

**Born:** 1968

#### **Education**

- Middle Tennessee State University; Bachelor of Science/Aerospace; 1990

#### **Business Experience**

- Tailwind Investments; Managing Partner/Chief Investment Officer; Brentwood, TN; 7/1/19 to Present
- Victory Capital Management; Chief Investment Officer/Chief Portfolio Strategist; Brentwood, TN; 5/1/2015 to 6/30/2019
- Compass Efficient Model Portfolios (Compass EMP Funds); Chief Investment Officer; Brentwood, TN; President/CEO; 3/15/2003 to 4/30/2015
- Merrill Lynch; Senior Vice President/Financial Advisor; Brentwood, TN 5/1/1996 to 3/14/2003

### **Item 3 Disciplinary Information**

Registered investment advisers are required to disclose in their Disclosure Brochures all material facts regarding any legal or disciplinary events that would be material to a client's evaluation of the advisory representative.

### **Item 4 Other Business Activities**

As noted below, in addition to representing Tailwind Investments, Mr. Hammers from time to time act in other business activities as described below.

#### **A. Investment-Related Activities**

In addition to his role as a managing partner and advisor representative of Tailwind Investments LLC, Mr. Hammers is not engaged in any other investment related activities.

#### **B. Non-Investment-Related Activities**

In addition to the above described, Mr. Hammers is engaged, actively, in business activities outside of his activities and responsibilities at Tailwind Investments LLC. This activity is called Tug-N-Go, an Aircraft related business. In this business function He deals in aircraft accessories and flight instruction. Mr. Hammers have been involved in this business since March 29, 2006.

These activities provide a minimal source of Mr. Hammers' income and involve a minimal amount of Mr. Hammers' time.

### **Item 5 Additional Compensation**

Mr. Hammers receives compensation from Tailwind Investments LLC as the Managing Partner of Tailwind Investments. Mr. Hammers' compensation will take into account the profitability of Tailwind Investments; as a result, will take into account the fees and other income received over time by Tailwind Investments in connection with services provided to Tailwind Investments clients. Further, Mr. Hammers has a financial incentive to promote Tailwind Investments services. Mr. Hammers may receive referral or other compensation in connection with services provided to Tailwind Investments.

### **Item 6 Supervision**

Tailwind Investments has established policies and procedures (in the "Compliance Manual") to govern the activities of all supervised persons, including Mr. Hammers. Additionally, all Tailwind Investments supervised persons engaged in investment advisory activities, including Mr. Hammers, are subject to Tailwind Investments' Code of Ethics that establishes policies and procedure to address potential conflicts of interest that may arise in connection with the provision of investment advisory services to Clients. Additional information concerning Tailwind Investments' Code of Ethics is contained in the Tailwind Investments Disclosure Brochure.

As the Owner (Managing Partner) of Tailwind Investments, LLC, Stephen Hammers supervises his own activities.