

FORM ADV PART 2A

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This brochure provides information about the qualifications and business practices of Model Capital Management LLC. If you have any questions about the contents of this brochure, please contact us at (844) 213-1031 or team@modelcapital.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 Model Capital Management LLC is also available on the SEC's website at www.adviserinfo.sec.gov. The searchable IARD/CRD number for Model Capital Management LLC is 166921.

Model Capital Management LLC is a Registered Investment Adviser with the United States Securities and Exchange Commission. Registration with the United States Securities and Exchange Commission or any state securities authority does not imply a certain level of skill or training.

ITEM 2: Summary of Material Changes

This section summarizes material changes that occurred subsequent to the Firm's January 23, 2020 annual amendment filing:

1. Item 4, Advisory Business: the firm's AUM was updated as of November 30, 2020, to \$451 million. The description of MCM's Research service was edited for clarity.
2. Item 5, Fees and Compensation, was updated to reflect MCM's current fees.
3. Item 6, Side-by-Side Management, was updated to better describe the process.
4. Item 12, Brokerage Practices, was updated to reference MCM's Trading Procedures.
5. Item 16, Investment Discretion, was updated to clarify MCM's discretionary vs. non-discretionary services.

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Item 4: Advisory Business

Model Capital Management LLC (“MCM,” “the Firm,” “we”) is an independent investment manager. The Firm was established in 2012 and is registered as an investment adviser with the U.S. Securities and Exchange Commission (“SEC”). Roman Chuyan, CFA, is the Firm’s President and General Partner.

MCM’s primary business is management of client investment assets. MCM provides investment portfolio management services to third-party registered investment advisors (“TP RIAs”) using MCM’s core and tactical portfolio models (described in more detail within the “*Methods of Analysis, Investment Strategies, and Risk of Loss*” section below). MCM does not hold custody of client assets. Instead, our clients appoint third-party custodians to take possession of client assets on behalf of the client, and to execute securities transactions. The Firm currently does not provide services to individual clients, but is permitted to do so in the future, in which cases an independent custodian will be appointed for such clients.

Advisory Services

We provide the following discretionary and non-discretionary advisory services.

In MCM’s **Investment Management** service, we conduct portfolio management of assets on broker-dealer, custodian or unified managed account (“UMA”) platforms. This service includes constructing portfolios of securities in accordance with MCM’s investment strategies, continuously monitoring the portfolios of securities and the relevant economic and market conditions, and submitting trades from time to time for each portfolio, on each platform. In each case, the service is provided in accordance with an Investment Advisor or Sub-advisor agreement executed between the client (typically, a TP RIA) and MCM.

MCM’s **discretionary** Investment Management service includes trading discretion – approving and executing trades for client accounts. MCM’s **non-discretionary** Investment Management service proceeds through constructing portfolios of securities and recommended trades, while our TP-RIA client is responsible for trade execution for client accounts.

Our TP RIA clients are solely responsible for determining the suitability of MCM’s investment management services for their clients’ investment objectives and risk tolerance, policies and applicable restrictions. The TP RIA is also responsible for selecting the appropriate MCM’s strategy for each individual client. MCM then implements this Strategy pursuant to the TP RIA’s instructions on behalf of their clients.

MCM had \$473.7 million in assets under management as of December 31, 2020.

MCM offers an **Investment Research** service, whereby it enters into non-discretionary advisory agreements with TP RIA firms who wish to access MCM’s research. In this relationship, MCM provides the TP RIA client with its research reports on a regular basis. The TP RIA client has the option to choose to follow (or not follow) the recommendations as provided by MCM, or follow these results as an input (an “Overlay”) into their own investment management process. As part of the Research service, MCM is not responsible for constructing portfolios of securities suitable for the client, and does not include any such assets managed in accordance with this service in its AUM.

Item 5: Fees and Compensation

(Please read the section entitled "Performance based fees and Side-by-Side Management" in addition to this section for complete information on MCM's fees and how we get compensated, in particular for performance-based fees.)

MCM signs an investment advisory agreement (or an investment management agreement) with each client that details fees, compensation and payment thereof. Unless it is otherwise agreed upon in the investment advisory agreement, MCM is compensated for its services in arrears the quarter in which investment advisory services are rendered.

Investment Management Services:

MCM charges clients a management fee based on the amount of assets that we manage. Our fee to TP RIA clients typically ranges from 0.3% to 1.0% per year, depending on the nature of our advisory service and the size of AUM with the client.

Although it does not currently, MCM is permitted to accept performance-based fees – that is, fees based on a share of capital gains on the assets. Per a sub-advisor agreement with a TP RIA client, MCM will charge the TP RIA client either an asset-based fee, or a performance-based fee (but not both for the same TP RIA client). Currently, MCM does not have any performance-based fee arrangements.

Investment Research:

MCM typically charges TP RIA clients a fixed annual fee for this service, payable quarterly.

Termination of the Advisory Relationship: A client agreement can be canceled at any time, by either party, for any reason upon receipt of 30 days written notice. Upon termination of any agreement, any prepaid, unearned fees will be refunded. In calculating a client's reimbursement of fees, we will pro rate the reimbursement according to the number of days remaining in the billing period, or the number of days services were provided (depending on the payment agreement in the advisory agreement). A client's investment advisory agreement with MCM is non-transferable without MCM's and client's prior written approval.

Additional Fees and Expenses: Additional fees and expenses may be incurred by clients of TP RIA firms for whom MCM serves as sub-advisor. In addition to our advisory fees, clients are responsible for the fees and expenses charged by their RIA and custodians, as well as those imposed by broker dealers, including, but not limited to, any transaction charges imposed by a broker dealer with which the TP RIA effects transactions for a client's account(s). MCM does not benefit from transaction and brokerage costs incurred in client accounts. Please refer to the "Brokerage Practices" section of this Form ADV for additional information.

Item 6: Performance-Based Fees and Side-by-Side Management

Performance-Based Fees

Performance based fees are based on a share of capital gains or, capital appreciation of the client's assets. As stated above in the paragraph entitled "**Item 5: Fees and Compensation**," MCM is allowed to accept performance-based fees – though MCM has not had active performance-based fee agreements since March 31, 2016.

Potential Conflict of Interest

A potential conflict of interest exists if an adviser enters into both performance-based fees with some clients and asset-based fees with other clients, which theoretically encourages unfair preference to be given to clients with performance-based fees.

Under the Act and corresponding state laws, investment advisers may enter into performance-based fees only with qualified investors. Section 205 of the Act is designed to eliminate "profit sharing contracts [that] are nothing more than 'heads I win, tails you lose' arrangements," and that "encourage advisers to take undue risks with the funds of clients," to speculate, or to overtrade.

It is our view that performance-based fees, if used appropriately, align the interests of the adviser and the client, attract skilled talent, and encourage hard work. On the other hand, if used inappropriately and/or by an unskilled adviser, such fees potentially encourage taking excess risks or overtrading.

How MCM Addresses Potential Conflicts

MCM will only enter into performance-based fee arrangements with its TP RIA clients who are authorized to charge performance-based fees pursuant to the Investment Advisers Act of 1940, as amended (the "Act") and corresponding state laws. Additionally, MCM's TP RIA clients must ensure that their investor clients who choose to be charged performance-based fees are eligible (i.e., are qualified investors).

The nature of MCM's RIA business is such that trading is typically done based on our models' results and does not involve individual company securities or high trading. We further safeguard against taking undue risk and against overtrading by careful review of proposed trades before execution.

Finally, MCM will engage in charging performance-based fees only after we reasonably establish that the TP RIA client understands such arrangements and limits these agreements to high-net-worth qualified investors.

Side-By-Side Management

In its role as sub-advisor, MCM manages assets for several TP RIA clients and often needs to place the same trade for several of these clients. Simultaneous execution of numerous trades on several custodial/UMA platforms is not feasible for MCM (as for most managers) due to the different platform trading procedures (some platforms require trade entry by an early-morning cut-off time in order to be executed on the same day) and due to limited MCM's personnel and systems resources. Therefore, the nature of MCM's sub-advisory business of managing on multiple UMA platforms necessitates sequencing of trades.

Potential Conflict

The sequence in which the trades are placed may potentially favor one client over another due to the following:

1. A large trade for one client can affect the price of the security before trading for another client;
2. Theoretically, when trading in a trending market, the trades placed first/last are likely to receive better execution.

How MCM addresses Potential Conflict

MCM addresses potential conflicts of this nature by having adopted a Trade Sequence Rotation procedure. To ensure fairness and to minimize appearance of preferential treatment, MCM follows its Trade Sequence Rotation process in which trading is performed by rotating the order of clients/platforms in the sequence of trade entry/submission. For example, if the previous trade was executed for Clients #1-2-3-4, the next trade will be done in sequence 2-3-4-1, the next 3-4-1-2, etc. Further, MCM always attempts to complete trading for all clients in one day, and thus enters trades on platforms requiring early trade entry by their cut-off time, i.e., while these platforms are first in sequence, their execution time is expected to approximately coincide with the time of MCM's all other trading. When MCM adds new clients, they are added to the sequence.

Item 7: Types of Clients

MCM provides investment management services to individual clients, and provides investment management services and research services to other Registered Investment Advisors (Third-Party RIAs).

The minimum investment amount for MCM's strategies is typically \$20,000; however, the minimum varies by broker-dealer, custodian, and platform. Some of MCM's TP RIA clients for whom we serve as sub-advisor will impose different minimums. The TP RIA clients are required to state these minimums in their respective ADV firm brochures which they provide to their investor clients.

Item 8: Methods of Analysis, Investment Strategies, and Risk of Loss**Methods of Analysis and Investment Strategy**

MCM specializes in asset allocation, and creates strategic, tactical, and dynamic (strategic with a tactical sleeve) asset allocation portfolios. Portfolio investment objectives, risk, and other terms are specified in detail in MCM's Investment Policy Statement, available upon request.

MCM's **Core Dynamic** allocations are strategic multi-asset portfolios with a tactical sleeve. These portfolios are constructed according to the risk profile specified in their IPS, ranging from Income (no equity) to growth-plus (up to 70% equity allocation). In addition, MCM's dynamic strategies are designed to take advantage of the expected growth trends in the coming years, including: (1) U.S. economic growth is expected to outpace global. MCM's dynamic allocations are U.S.-only, and most include additional exposure to sectors that are expected to outperform. (2) Higher inflation and interest rates are expected, which would pressure longer-term fixed-rate bonds. MCM's dynamic allocations underweights exposure to longer-term bonds, and instead maintain significant exposures to income assets that are expected to outperform in a rising-rate environment.

MCM offers several Core Dynamic strategies. The strategies range in their risk profile from income to aggressive growth (Growth-Plus Allocation). MCM maintains strategic allocations via periodic rebalancing.

Tactical strategies are portfolios focusing on asset classes with the best expected returns and risks. As foundation for tactical management, we first forecast asset class return focusing on the equity market as the source of most return and risk. In doing so we utilize fundamental data (e.g., economic data and market valuation), and our proprietary quantitative algorithm to process the data. We then allocate our tactical portfolios to the index(es) where the best return-risk opportunity is presented, based on our model's current forecast. We typically allocate 100% of a tactical portfolio to the equity market if strong return is expected on equities. Conversely, if our models forecast stocks to underperform, we typically allocate 100% of the portfolio to fixed income and/or the money market. MCM offers several Tactical strategies, including Income, Growth, and 2xGrowth.

Our clients can choose those of our strategies that are suitable for them and in case of TP RIA's, for their clients.

To implement our recommended portfolios, we use publicly-traded financial instruments that are based on broad indices, such as index ETFs. This promotes diversification, liquidity, and low portfolio and operating costs. We do not trade or recommend individual company stocks or bonds, and do not analyze or recommend individual companies.

Risk of Loss

Investing in our strategies involves the following significant risks. Investors should consider risks carefully and should be prepared to bear risk when making their investment decisions.

1. Investing in securities involves a risk of loss. Securities are purchased and sold at market prices, and their value is not guaranteed. When sold, a security's price can be lower than its purchase price. A client's portfolio that contains such securities has the potential to incur significant loss.
2. Our strategies will, from time to time, allocate a significant portion of portfolios to a broad equity market index (such as the S&P 500), or a combination of equity market indices. Investing in equity markets involves significant risks:
 - a. In a company's capital structure, common stock shareholders have the lowest claim on the company's assets. Shareholders of a company have the potential to lose 100% of their investment in case of bankruptcy of the company. We attempt to mitigate this company-specific risk through diversification, by investing only in broad equity indices (for example, the S&P 500 index). Still, if some companies in a sector or several sectors experience business problems, it can cause a loss of the portion of the index that represents those companies and sectors.
 - b. Broad equity market indices (such as the S&P 500) are volatile – the index level, or price, fluctuates significantly over time. Investors can also incur a loss if the time of redemption of their investment coincides with a decline in the equity market.
3. Our strategies will, from time to time, allocate a significant portion of portfolios to a broad bond market index, such as US Treasury bonds, investment-grade corporate bonds, and/or high-yield ("junk") bonds or loans. If a bond/loan is sold before maturity, the sale is executed at market price which can be higher or lower than the bond's face (or par) value, i.e., bonds are subject to price risk

described in paragraph (1) above. Fixed-rate bonds involve interest rate risk – their prices typically drop if market interest rates rise. Interest rate risk is larger for longer-term bonds. Corporate bonds and high-yield bonds/loans also involve credit risk – they have the potential to lose value if the issuer company experiences business or financial problems.

4. ETFs are securities the price of which is based on the underlying index. We carefully select ETFs that meet our criteria with respect to their total assets (size), liquidity, expenses, and premium/discount to their net asset value (NAV), among other criteria. However, these items are subject to change due to the ETF sponsor actions, market conditions, or other reasons beyond our control. One or more of the following risks have the potential to cause an ETF investment to deviate from the underlying index and to erode the value of a portfolio investment: high expenses, low liquidity, the price being materially different from NAV.

Item 9: Disciplinary Information

Investment advisers are required to disclose any legal or disciplinary events that are material to a client's or prospective client's evaluation of the advisory business or the integrity of management personnel. Neither MCM, its employees or management persons have been involved in any such events.

Item 10: Other Financial Industry Activities and Affiliations

Neither MCM or our management persons participate in any other industry financial or business activities.

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

Code of Ethics

As Roman Chuyan holds a Chartered Financial Analyst (CFA) designation, MCM has adopted the CFA Institute's Asset Manager Code of Conduct as part of its Written Supervisory Procedures and Compliance Manual. Part of this Code includes a Code of Ethics that defines our fiduciary commitment to each Client. This Code of Ethics applies to all persons associated with MCM. The Code of Ethics is used to provide general ethical guidelines regarding our duties to our clients. MCM and its management and employees owe a duty of loyalty, fairness and good faith towards each client. It is the obligation of MCM to adhere not only to the specific provisions of the Code, but also to the general principles that guide the Code.

The Code of Ethics covers a range of topics that include general ethical principles, and personal securities trading and reporting. To request a copy of our Code of Ethics please contact us at (617) 854-7417 or via email at team@modelcapital.com.

Participation in Client Transactions and Personal Trading

MCM's officers and employees with access to MCM's investment recommendations ("Access Persons") are permitted to invest in the same securities (or related securities, e.g., options or futures) that MCM recommends to Clients. MCM recommends exclusively broad index-based securities (such as ETFs or index mutual funds) and does not conduct any research or analysis on individual companies. MCM generates value for Clients via its tactical portfolio recommendation that rebalance among asset classes – thus, the

information regarding the timing of such rebalancing trade recommendations is of value. Pursuant to our Code of Ethics and Compliance Manual, to avoid any conflict of interest or appearance of it, MCM requires that its Access Persons conduct personal trading in the same or related securities that MCM recommends to its Clients, not earlier than 24 hours after MCM's recommendations are issued to Clients.

Item 12: Brokerage Practices

MCM does not have any broker-dealer (BD) affiliations. For individual clients, we use custody and brokerage services of Interactive Brokers LLC. For TP RIA clients, as part of MCM's sub-advisory agreements, BDs are selected by the TP RIA, and MCM does not control directing orders to specific BDs.

That said, there are instances when the TP RIA will designate more than one BD and permit MCM to select from this pre-selected list a BD with whom to place trades. In these instances, MCM has the following procedures in place to promote best execution.

As part of pursuing best-execution for its TP RIA clients, MCM maintains contact with designated BDs regarding the BD's trading capabilities, value, and best trading practices for ETFs that MCM typically uses in its strategies. MCM will request pre- and/or post-trade report from the selected BD on the day of the trade. MCM evaluates execution periodically (but no less than annually) based on BD's post-trade reports, by taking into account (1) trading commissions, and (2) execution quality, i.e., trade prices relative to bid-ask quotes and/or price range throughout the day.

MCM adheres to its Trade Procedures, available upon request, aimed to add checks and balances and to reduce the chance of trade errors. The Trade Procedures include pre- and post-trade verifications and trade error resolution policy.

Item 13: Review of Accounts

MCM's strategies' performance is the foundation of its investment advisory services. MCM reviews the performance of its model investment portfolios on a regular and continuous basis to best monitor how its strategies are performing against comparable indices, and to help us to enable our clients to reach their investment goals.

We encourage our TP RIA clients to schedule meetings with us to discuss investment process, review performance of our investment strategy portfolios, discuss our investment strategies or to help us to have a better understanding of how MCM can help them meet their clients' investment goals. Our TP RIA clients are required to monitor their clients' personal financial situation, and either to implement, or to request MCM to implement, the required reallocations to/from/among MCM's strategies. Additional reviews can be triggered by material market, economic or political events.

Item 14: Client Referrals and Other Compensation

MCM does not receive any compensation from any third party in connection with providing investment advice, nor do we compensate any third party for client referrals.

Item 15: Custody

MCM does not hold custody of client assets. All clients must place their assets with a qualified custodian. TP RIA clients will continue to use custodian(s) of their choice to retain their funds and securities, and will direct MCM to utilize that custodian for client security transactions. We provide our service to individual clients through Interactive Brokers LLC, an independent broker-dealer and custodian, to take possession of the assets in the account on behalf of clients, and to execute securities transactions. Clients' relationship with the custodian will be governed by a separate custody/brokerage account agreement between each client and the custodian.

For more information about custodians and brokerage practices, see the section entitled "*Brokerage Practices*" in this brochure.

Item 16: Investment Discretion

In advisory relationships where MCM's investment management service includes trade execution, we have discretionary authority. This means that MCM has the authority (limited power of attorney) to purchase, sell, hold or dispose of securities in the account allocated by TP RIAs to MCM's investment strategies. MCM has non-discretionary authority as part of MCM's sub-advisory services, namely, MCM's portfolio re-allocations are subject to the TP RIA's review, and trading is typically executed by the TP RIA.

Item 17: Voting Client Securities

MCM does not provide proxy voting services and does not take proxy voting authority for client securities.

Item 18: Financial Information

Neither MCM, nor its management has any adverse financial situations that would impair the ability of MCM to meet all obligations to its Clients. Neither MCM, nor any of its advisory persons has been subject to a bankruptcy or financial compromise.

Notice and Disclaimer

This Information is distributed for informational purposes only, and should not be construed as investment advice or analysis, or a recommendation to sell or buy any security or other investment, or to undertake any investment strategy. It does not constitute a general or personal recommendation or take into account the particular investment objectives, financial situations, or needs of individual investors. Historical data and analysis provided, if any, should not be taken as an indication or guarantee of any future performance.

Privacy Policy

Model Capital Management LLC ("MCM") is an independent investment management firm registered in the Commonwealth of Massachusetts. MCM is committed to safeguarding the confidential information of its clients. The Firm holds all personal information provided by and collected from its clients in the strictest confidence. MCM never discloses information to nonaffiliated third parties, and does not

anticipate doing so in the future. If the Firm must do so, it is prohibited by law from doing so without advising its clients first.

MCM uses financial information that clients provide to help them meet their personal financial goals while guarding against any real or perceived infringements of their rights or privacy. The Firm's policy with respect to personal information is listed below.

MCM limits employee and agent access to information only to those who have a business or professional reason for knowing, and only to non-affiliated parties as permitted by law. (For example, federal regulations permit MCM to share a limited amount of information about clients with a brokerage firm in order to execute transactions on their behalf.) If MCM is required to discuss a client's financial situation with any other professional retained by the client, such as an accountant or lawyer, we will obtain the client's permission before doing so.

The Firm maintains a secure office and computer environment to ensure that client information is safe.

The categories of nonpublic personal information that is collected from a client depend upon the scope of the client engagement. It will include information about personal finances, and information about transactions between the client and third parties.

For unaffiliated third parties that require access to client personal information, such as other financial institutions with whom we have joint business arrangements in connection with the management or servicing of your account, MCM also requires the strictest confidentiality in its agreements with these third parties. Federal and state regulators are also permitted by law to review these records.

MCM does not and will not provide client information to vendors or solicitors for any purpose.

Personal identifiable information about our clients is maintained during the time they are a client, and for the required time thereafter that is required by law. After this time, all such information will be carefully destroyed.

MCM will not share your personal information with non-affiliated third parties without your authorization. We are permitted, prior to your consent, to disclose non-public personal information to other financial institutions with whom we have joint business arrangements in connection with the management or servicing of your account.

FORM ADV PART 2B

Brochure Supplement: Supervised Persons

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President and General Partner

Roman Chuyan, CFA

Year of Birth 1973

Roman Chuyan founded Model Capital Management LLC in 2012, to help investment managers outperform passive benchmarks via tactical management. MCM's tactical strategies are powered by unique models that Roman developed over a period of over ten years prior to founding the Firm.

Professional History

In prior years, Roman worked at Performance Analytics (2010-2012) JH Investments (2008-2010), CypressTree (2006-2008), and John Hancock Life Insurance Company (1998-2006). He developed investment models in fixed-income, equity, and credit markets.



Certifications and Educational Background

Roman holds a Chartered Financial Analyst (CFA) designation. The CFA designation is a credential offered by the CFA Institute, certifying that the individual completed a rigorous study curriculum and passed three levels of exams, while also meeting certain professional and ethical requirements. Roman holds a M.Sc. degree in Finance from Bentley University in Waltham, MA.

Other Business Activity

Roman is not engaged in any other business outside of Model Capital Management, LLC.

Disciplinary Information

Roman has not been involved in any legal or disciplinary events, or had any disciplinary action taken against him.

Partner

Francis G. Donovan

Year of Birth 1962

Francis Donovan joined Model Capital Management LLC in 2012 and devotes much of his time to business development. In this role, Francis identifies and builds relationships with potential clients that would benefit from Model Capital Management LLC's services and experience.

Professional History

Prior to joining Model Capital Management, LLC Francis gained significant experience in Sales while holding the following positions: VP Sales, 12/2006 - 02/2013 Wall Street Prep; VP Sales, 03/2005 - 12/2006, Varden Technologies; and Director of Sales, 08/2001 - 03/2005, Exivity.

Certifications and Educational Background

Frank received his B.S. in Economics from The Wharton School at the University of Pennsylvania.

Disciplinary Information

Francis has not been involved in any legal or disciplinary events, or had any disciplinary action taken against him.

Other Business Activity

Francis is not engaged in any other business outside of Model Capital Management LLC.