

# Signals Matter, LLC Part 2A of Form ADV Firm Brochure

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This brochure provides information about the qualifications and business practices of Signals Matter, LLC (“Signals Matter”). Signals Matter is registered with the United States Securities and Exchange Commission (the “SEC”) as an investment adviser. Registration as an investment adviser with the SEC does not imply a certain level of skill or training. If you have any questions about the contents of this brochure, please contact us at 844-545-5050. The information in this brochure has not been approved or verified by the United States Securities and Exchange Commission (the “SEC”) or by any state securities authority.

Additional information about Signals Matter is also available on the SEC’s website at:  
[www.adviserinfo.sec.gov](http://www.adviserinfo.sec.gov).

## **ITEM 2 – MATERIAL CHANGES**

Signals Matter, LLC has applied for SEC investment adviser registration with the U.S. Securities & Exchange Commission as of April 2021.

## **ITEM 3 – TABLE OF CONTENTS**

### **CONTENTS**

<b>ITEM 2 – MATERIAL CHANGES .....</b>	<b>2</b>
<b>ITEM 3 – TABLE OF CONTENTS .....</b>	<b>2</b>
<b>ITEM 4 – ADVISORY BUSINESS .....</b>	<b>3</b>
<b>ITEM 5 – FEES AND COMPENSATION .....</b>	<b>3</b>
<b>ITEM 6 – PERFORMANCE-BASED FEES AND SIDE-BY-SIDE MANAGEMENT .....</b>	<b>4</b>
<b>ITEM 7 – TYPES OF CLIENTS .....</b>	<b>4</b>
<b>ITEM 8 – METHODS OF ANALYSIS, INVESTMENT STRATEGIES AND RISK OF LOSS.....</b>	<b>4</b>
<b>ITEM 9 – DISCIPLINARY ACTION.....</b>	<b>8</b>
<b>ITEM 10 – OTHER FINANCIAL INDUSTRY ACTIVITIES AND AFFILIATIONS .....</b>	<b>8</b>
<b>ITEM 11 – CODE OF ETHICS, PARTICIPATION OR INTEREST IN CLIENT TRANSACTIONS AND PERSONAL TRADING .....</b>	<b>8</b>
<b>ITEM 12 – BROKERAGE PRACTICES .....</b>	<b>9</b>
<b>ITEM 13 – REVIEW OF ACCOUNTS.....</b>	<b>10</b>
<b>ITEM 14 – CLIENT REFERRALS AND OTHER COMPENSATION.....</b>	<b>10</b>
<b>ITEM 15 – CUSTODY.....</b>	<b>10</b>
<b>ITEM 16 – INVESTMENT DESCRETION.....</b>	<b>10</b>
<b>ITEM 17 – VOTING CLIENT SECURITIES .....</b>	<b>10</b>
<b>ITEM 18 – FINANCIAL INFORMATION.....</b>	<b>11</b>

## ITEM 4 – ADVISORY BUSINESS

### Signals Matter, LLC

Signals Matter, LLC was founded in April 2017 by Thomas Lott and Matthew Piepenburg as an online publishing company that provides subscribers with (a) timely financial market analysis and (b) specific investment portfolio suggestions. In April 2021, Signals Matter applied for SEC registration with the U.S. Securities & Exchange Commission as a Registered Investment Advisor (RIA), enabling subscribers to access and invest in online portfolios managed and traded by Signals Matter. The company's RIA is expected to launch on June 1, 2021, and to begin opening investment accounts from that date forward. Messrs. Lott and Piepenburg have been providing financial investment advice to clients for over 50-combined years. Each owns a 50% financial interest in Signals Matter.

### Thomas Lott, Portfolio Strategist

Signals Matter Co-Founder Thomas Lott is a graduate of Yale University (BA, Economics) and Wharton Graduate at the University of Pennsylvania (MBA, International Finance). He has served the World Bank (Division Manager, Europe), Morgan Stanley (Portfolio Manager, Financial Advisor), the Headquarters Company (predecessor to Regus, Inc., private equity), and Potomac Portfolios, LLC (a privately-held, CFTC-registered Commodity Trading Advisor and Commodity Pool Operator). Mr. Lott has founded and operated multiple hedge funds. He is Co-Author of *Rigged to Fail*, published February 2020 on Amazon.com. A U.S. Naval Officer, Mr. Lott served aboard the USS Uhlmann (Pacific Fleet) and as Intelligence Advisor to Navy Admiral Elmo Zumwalt, Commander, U.S. Naval Forces, Saigon, Vietnam.

### Matthew Piepenburg, Macro Strategist

Signals Matter Co-Founder Matthew Piepenburg is a graduate of Brown University (BA, Magma Cum Laude, Phi Beta Kappa), University of Michigan Law School (Juris Doctor), and Harvard University (Masters). He has served Dresdner Bank (Frankfurt, Germany), J.H. Johnson Family Office (General Counsel, Chief Investment Officer), and Massey Quick & Co. (Managing Director). Mr. Piepenburg is author of *Rigged to Fail: Blunt-Spoken Investment Solutions for Unsuspecting Investors*, published February 2020 on Amazon.com. He is fluent in the English, French, and German languages. Mr. Piepenburg has written hundreds Market Reports on macroeconomics, available at [www.SignalsMatter.com](http://www.SignalsMatter.com), and is a frequent guest on finance-oriented podcasts.

### Advisory Business - Portfolio Management Service

Signals Matter's advisory business provides three portfolio solutions for investors, a Conservate Portfolio, Moderate Portfolio, and Aggressive Portfolio. Portfolios are actively-managed, risk-adjusted, and widely diversified across alternative investment strategies in the Exchange Traded Product (ETP) space, providing traditional investors with a standalone or companion solution that is intentionally less-correlated with stock and bond investing. Signals Matter provides algorithmic solutions to online investing. Please see Item 8 – Methods of Analysis, Investment Strategies, and Risk of Loss for a detailed description of Signals Matter investment methodologies.

Because Signals Matter is applying for registration with the SEC, the firm has \$0 assets under management as of April 9, 2021.

## ITEM 5 – FEES AND COMPENSATION

### Signals Matter Fees

Signals Matter charges a single fee for the Services it provides under the Client Agreement. The fee is calculated at the greater of (a) \$50 per month (\$600 per annum) or (b) 0.50% per annum applied to the market value of each Client Account. Fees are paid monthly, in arrears, based on the market value of account assets for the previous month-end. Fees are deducted automatically from Client Accounts. For certain Client relationships, Signals Matter may aggregate Accounts within the same Client relationship for fee calculation and billing purposes. Fees commence on the date the Client Agreement is effective and are prorated for accounts that do not commence on the first business day of the month, or terminate on the last day of month. Fees charged are not negotiable, although in certain circumstances, Signals Matter may discount or waive fees. Company employees, stockholders, and members of their households

typically receive services from Signals Matter at a discount from the standard fee, or at no charge. Under its Client Agreement, fees may only be changed by giving clients thirty days' prior written notice. Following the notice period, the new fee will become effective unless you have terminated the Client Agreement in accordance with the terms thereof.

### **Brokerage and Custodial Fees**

The client is solely responsible for paying for brokerage and custodial costs to Signals Matter's broker/custodian, Apex Clearing (described in *Item 5 – Custody*). These include (a) an account opening fee, (b) brokerage transaction costs, and (c) any other expenses, liabilities, charges and costs incurred in connection with the services you receive under the advisory agreement, including but not limited to any commissions, transfer fees, registration fees, exchange fees, settlement fees, and stamp duty, tax or other fiscal liabilities or any other transaction related expenses and fees arising out of transactions in the account incurred by us, or delegated or third parties in performing the services under the advisory agreement. Margin fees are excluded as margin is not offered or permitted. For additional information regarding brokerage practices, please see *Item 12 – Brokerage Practices*.

### **Fees for Miscellaneous Services**

Fees for miscellaneous services include phone and worked orders (if any), annual IRA maintenance and closing fees, banking fees (wire/check transfers), ACH corrections, stop-payments, check copies, 3<sup>rd</sup>-party distribution notifications, paper confirms and statements (although electronically-delivered confirms, statements and tax statements are provided at no charge), and outgoing and incoming ACAT transfers. Signals Matter does not receive any portion of these commissions or costs.

### **ETP Fees and Expenses**

Signals Matter concentrates its investments in collective investment funds, namely Exchange Traded Products (ETPs) that generally include an embedded expense composed of an investment management fee paid to the fund's investment adviser, along with administrative and operating expenses. An explanation of the fees and expenses paid by each collective investment fund is contained in that fund's offering document. The performance and attributes of collective investment funds are typically reported on a net-of-fees basis.

## **ITEM 6 – PERFORMANCE-BASED FEES AND SIDE-BY-SIDE MANAGEMENT**

### **None**

Signals Matter does not charge performances-based fees.

## **ITEM 7 – TYPES OF CLIENTS**

### **Investors We Serve**

Signals Matter generally provides its advisory services mostly to individuals, high net worth families, family offices, and others. There is a \$10,000 minimum account size for each of Signals Matter's three portfolios. Signals Matter's modest opening account size reflects the Company's strong belief that by democratizing sophisticated investing in the alternatives space (heretofore reserved for "accredited investors" with assets of \$1 million and more), the broad population of both accredited and unaccredited investors may have equal access to Signals Matter portfolio solutions, irrespective of wealth levels.

## **ITEM 8 – METHODS OF ANALYSIS, INVESTMENT STRATEGIES AND RISK OF LOSS**

### **METHODOLOGY**

#### **Alternative Investing**

"Alternative investing" is a core strength at Signals Matter and is deployed across all Signals Matter portfolio solutions, differentiating Signals Matter from traditionally-focused Financial Advisors and RIAs that invest mostly in stocks and bonds. Alternative investments are generally defined to include anything that's not a stock or a bond, as with private equity, venture capital, real estate, hedge funds, managed futures, art and

antiques, commodities, derivatives contracts, and alternative-oriented Exchange Traded Products (ETPs). Alternative investing provides low and even negatively correlated solutions to traditional stock and bond investing and can be performance-enhancing during periods of systemic market change or stress, both as a stand-alone allocation and as a portfolio diversifier.

### **Systemic Change: The Risks and Opportunities within a Rising Interest Rate Environment**

Signals Matter believes that the key to any great portfolio is not only the investments it holds, but also the macro environment surrounding it. Interest rates are a core variable that impacts portfolio return across traditional stock and bond investing. Interest rates, having fallen for a decade, are making the turn and are rising. Given unprecedented levels of post-2008 central bank intervention in the public markets by deploying trillions of printed dollars (i.e., Quantitative Easing or QE), used to facilitate the purchase of US Treasuries and other critical US debt instruments, the Federal Reserve has been recently able to essentially "buy" large swaths of the credit/bond market, keeping interest rates (and interest rate risk) low. The risk of rising interest rates is a clear and present danger to traditional investing. Just as falling interest rates have favored both stocks and bonds for the last decade, as interest rates rise, we believe stocks and bonds could together be adversely impacted, clearing the runway for actively-managed, alternative investing solutions like ours. As interest rates rise, bonds fall, no longer providing a reliable or suitable portfolio hedge.

### **Active vs. Passive Investment Management**

The art of investing alternatively is founded on the premise that active portfolio management beats passive portfolio management during periods of extreme market stress. While active and passive investment approaches each have a role to play, the role of each is highly dependent upon the macro environment. Having spent over a decade managing Potomac Portfolios, LLC (a CTFC-registered Commodity Trading Advisor (CTA) and Commodity Pool Operator (CPO), Signals Matter Co-Founder and Portfolio Strategist Thomas Lott is practiced in alternative investing. As Managing Director of Massey Quick & Co., Signals Matter Co-Founder Matthew Piepenburg is a practiced allocator to private equity, CTA's and CPO's. Subsequently and together, Messrs. Lott and Piepenburg have originated alternative investment vehicles for third-party clients.

### **Not Just about Stocks and Bonds**

At Signals Matter, it's not about just stocks and bonds. It's about stocks, bonds, gold, silver, platinum, palladium, commodities, agriculture, crude oil, natural gas, the US dollar, Euro, Japanese Yen, Swiss Franc, volatility, CTA strategies, real estate, long/short equities, and other unconstrained investment approaches – all of which are available within the universe of Exchange Traded Products (ETPs). Portfolios with allocations that are highly correlated with the S&P Index will, in the end, reflect the Index itself – not our goal – for when the Index plummets, so plummets the traditional portfolio. Best practices in portfolio management during periods of rising interest rates and high equity valuations call for broad diversification beyond stocks and bonds. Uncorrelated portfolio components that zig when the markets zag reduce portfolio volatility, providing a calmer ride with the potential for greater compounded return over time.

## **INVESTMENT STRATEGIES**

Constructing portfolios that hold up in all-weather conditions is more than a science. It's an artful science that builds upon informed investing, market cycle discovery, meaningful diversification, risk abatement, technical analysis, and proper benchmarking – all geared to optimize return and minimize risk. Hence, our starting point is "risk tolerance." Signals Matter portfolios are constructed around two notions of risk suitability: (a) suitable risk for the client, taking into account a client's personal financial condition and goals; and (b) suitable market risk, taking into account levels of market stability and instability. Client risk and market risk go hand-in-hand. We solve for both.

### **Client Risk - Client Questionnaire**

At Signals Matter, we begin by understanding the client's age, risk tolerance, income, and current assets, among others. Answers to such questions during the account-opening process determine the appropriate portfolio solution.

### **Market Risk - Storm Tracker**

Next, we assess market overall risk using a tool we call *Storm Tracker*. Storm Tracker tracks the probability of stormy weather ahead (and market stress) by monitoring hundreds of metrics that track GDP, Sector Trends, Leading Indicators, Yield Curves, and Déjà Vu, an in-house risk indicator that compares yield spreads with stock movements. Storm Tracker measures overall market risk on a scale of 0% (no market risk) to 100% (extreme market risk). As

market broader risk rises, cash allocations within the Conservative and Moderate Portfolios rise, as described below. As risk falls, cash allocations within the Conservative and Moderate Portfolios are proportionately reduced in favor of higher allocations to fixed income, equity, and mostly alternative ETPs. Signals Matter portfolios are available three forms, Conservative, Moderate, and Aggressive.

### **Conservative Portfolio**

The Conservative Portfolio targets conservative investors that seek above-average market returns with minimal volatility. The Conservative Portfolio allocates to Storm Tracker cash in percentages that precisely equate to Storm Tracker risk probabilities, ramping cash up and down as Storm Tracker risk levels change; and to selected fixed income, equities, and mostly alternative investments for remainder funds.

### **Moderate Portfolio**

The Moderate Portfolio targets moderate investors that seek higher returns in exchange for higher levels of risk. There is a half-allocation to Storm Tracker cash in the Moderate Portfolio. Remaining allocations are made to fixed income, equities, and mostly alternative investments. Volatility in the Moderate Portfolio is higher than in the Conservative Portfolio, yet more moderate than in the Aggressive Portfolio.

### **Aggressive Portfolio**

The Aggressive Portfolio targets aggressive investors, eager (and able) to take on higher risk. There is no Storm Tracker cash allocation to tame market risk in the Aggressive Portfolio. Allocations are made exclusively to fixed income, equities and mostly alternative investments, without Storm Tracker cash. Thus, while performances in the Aggressive Portfolio could be higher; so could volatility.

### **Exchange Traded Products – ETPs, ETFs, ETNs**

Portfolio investments in Signals Matter portfolios are concentrated in Exchange Traded Products (ETPs), namely and mostly to Exchange Traded Funds (ETFs); but also, to Exchange Traded Notes (ETNs), described shortly. ETPs, like mutual funds, are types of securities that track underlying securities, an index, or other financial instruments. Unlike mutual funds, ETPs trade live on exchanges similar to stocks, meaning their prices can fluctuate from day-to-day and intraday. Comparatively, ETPs are usually a low-cost alternative to mutual funds and can contain from a few to hundreds of underlying investments. They can be benchmarked to a myriad of investments including commodities, currencies, stocks, bonds, and others. Since prices of ETPs do fluctuate, investors have the potential to earn gains but also have the risk of incurring intraday market losses from their ETP investments.

### **Actively Managed Solutions**

Signals Matter draws heavily on Exchange Traded Products (ETPs) to populate its portfolios. ETPs are a category of exchange-traded investment vehicles that include two subsets, Exchange Traded Funds (ETFs) and Exchange Traded Notes (ETNs), with allocations to ETFs by far the greater of the two. The universe of ETPs provides traditional, but also actively-managed solutions that enable investment advisers to diversify clients away from traditional stocks and bonds during adverse market conditions for traditional investing. Signals Matter tracks over 1,000 US-domiciled, liquid ETPs. Our opportunity set includes ETPs across stocks, bonds, currencies, commodities, actively-managed, and inverse ETPs (that track the inverse of long-only indexes). Inverse ETPs provide simple, cheap, and liquid solutions to hedge (i.e., short) certain sectors within our portfolios, as well as to profit should stocks fall. Unlike mutual funds which are priced at the end of the day, ETPs are priced continuously during each market session, affording frequent and continuous price discovery.

### **Exchange Traded Funds (ETFs)**

An exchange traded fund (ETF) is a type of ETP that tracks an index, sector, commodity, or other assets including stock and bonds, but which can be purchased or sold on a stock exchange the same as a regular stock. An ETF can be structured to track anything from the price of an individual commodity to a large and diverse collection of securities, as well as to track specific investment strategies. ETFs can contain many types of investments, including stocks, bonds, commodities, or a mixture of investment types. An ETF is a marketable security, meaning it has an associated price that allows it to be easily bought and sold. ETFs offer low expense ratios and fewer broker commissions typically associated with buying stocks individually. The risk of owning an ETF generally reflects the risks of owning the underlying securities held by the ETF, although ETF performance may not exactly match the performance of the index or market benchmark that it is designed to track because (i) the fund will incur expenses and transaction costs not

incurred by any applicable index or market benchmark; (ii) certain securities comprising the index or market benchmark tracked by the fund may, from time to time, temporarily be unavailable; and (iii) supply and demand in the market for either the ETF or for the securities held by the ETF may cause the ETF shares to trade at a premium or discount to the actual net asset value of the securities owned by the ETF. Certain ETF strategies may from time to time include the purchase of fixed income, commodities, foreign securities, American Depositary Receipts, or other securities for which expenses and commission rates could be higher than normally charged for exchange traded equity securities, and for which market quotations or valuation may be limited or inaccurate.

### **Exchange Traded Notes (ETNs)**

Exchange-traded notes (ETNs) are unsecured debt securities that track an underlying index of securities and trade on a major exchange like a stock. ETNs are similar to bonds but do not have interest payments. Instead, the prices of ETNs fluctuate like stocks. An exchange-traded note (ETN) is an unsecured debt security that tracks an underlying index of securities. For each ETN, the repayment of the principal invested depends, in part, on the performance of the underlying index. If the index either goes down or does not go up enough to cover the fees involved in the transaction, the investor will receive a lower amount at maturity than what was originally invested. An ETN's ability to pay back the principal—plus gains from the index it tracks—depends on the financial viability of the issuer. As a result, an ETN's value is impacted by the credit rating of the issuer. The value of the ETN could decline due to a downgrade in the issuer's credit rating, even though there was no change in the underlying index.

### **RISK OF LOSS**

All investing involves a risk of loss that clients should be prepared to bear, including the risk that the entire amount invested can be lost. Your account could lose money over short or long periods of time. There are no assurances that Signals Matter's investment strategies or recommended investments will succeed, and Signals Matter cannot guarantee that clients will achieve their investment objectives or receive a return of their original investments. The fact that a recommendation or guidance is generated by Signals Matter cannot be interpreted as a guarantee of future performance. It must be understood that past performance is not indicative of future results. Therefore, current and prospective clients should never assume that future performance of any specific investment or investment strategy will be profitable. Further, the risk in client accounts will vary based on the individual assets and the mix of assets held. Below is a summary of potentially material risks for Signals Matter's strategies, methods of analysis, and the assets typically held in clients' accounts. The following risk factors do not purport to be a complete list or explanation of the risks involved in an investment.

### **Model Risk**

Our models are designed to work with our algorithms and produce realistic simulations that inform our portfolio construction. Human errors or system errors could impede their accuracy and the efficacy of our services. Our models describe asset class dynamics, with mechanisms that include volatility that evolves over time as well as correlations across assets and asset classes, and dynamic dependence on other variables. As market dynamics change over time, a previously realistic model could become outdated or inaccurate, perhaps without our algorithms recognizing the change before further recommendations are made. Changes made to models may not always have the desired or intended effects. Further, the simulations are forward-looking projections based primarily on historical data. They are inherently uncertain and there is no guarantee that any account will meet its objectives.

### **Technology Risk**

We generate investment recommendations with our models. Such recommendations may be subject to system errors. We make no guarantee or representation that the investment recommendations will be successful. In addition, the operation of the models might be subject to human errors, processing or communication errors or model failures. The changes made to our models may not always have the desired or intended effects.

### **Reliance on Third-party Information Risk**

Signals Matter conducts its analyses using data obtained from third parties. Signals Matter relies on current and historical data regarding markets, securities financial instruments, collective investment funds from data providers. Although these are generally reliable, there may be inaccuracies or discrepancies in the data they provide. Signals Matter's recommendations are also based on the information and data provided by the issuers of securities. Although Signals Matter, through its proprietary models, evaluates such information and data, Signals Matter is not in a position

to confirm the completeness or accuracy of such information and data, and in some cases, complete and accurate information is not readily available. Signals Matter also bases its advice on information provided by clients and relies on clients to provide accurate information. If a client provides inaccurate information or does not verify that Signals Matter has accurate information about them, this will impact the quality of Signals Matter's advice.

### **Cybersecurity Risk**

Signals Matter and its service providers are subject to risks associated with a breach in cybersecurity. Cybersecurity is a generic term used to describe the technology, processes and practices designed to protect networks, systems, computers, programs and data from both intentional cyber-attacks and hacking by other computer users as well as unintentional damage or interruption that, in either case, can result in damage or interruption from computer viruses, network failures, computer and telecommunications failures, infiltration by unauthorized persons and security breaches, usage errors by their respective professionals, power outages and catastrophic events such as fires, tornadoes, floods, hurricanes and earthquakes. A cybersecurity breach could expose both Signals Matter and client accounts to substantial costs including, without limitation, those associated with forensic analysis of the origin and scope of the breach, increased and upgraded cybersecurity, identity theft, unauthorized use of proprietary information, litigation, adverse investor reaction, the dissemination of confidential and proprietary information and reputational damage, civil liability as well as regulatory inquiry and/or action. In addition, any such breach could cause substantial withdrawals from a client account. While Signals Matter has established a business continuity plan; risk management strategies; and systems, policies and procedures to seek to prevent cybersecurity breaches, there are inherent limitations in such plans, strategies, systems, policies and procedures including the possibility that certain risks have not been identified. Furthermore, Signals Matter and client accounts cannot control the cybersecurity plans, strategies, systems, policies and procedures put in place by other service providers to the client accounts.

### **Market and Economic Risk**

The values of assets in an account can decline due to changes in general economic and market conditions. An asset's value can change in response to developments affecting entire economies, markets or industries, including changes in interest rates, policies and laws, pandemics or natural disasters, and general market volatility. Predictions about financial market conditions and economic factors are highly uncertain, and the presence, duration, and impact of any market or economic conditions could have a materially adverse effect on Signals Matter's investment strategies. Past disruptions in the global financial markets have had materially adverse consequences for the values and liquidity of certain types of assets, including the types of assets that clients may hold in their accounts. Similar or dissimilar disruptions may occur in the future, and the duration, severity and ultimate effect of such disruptions are difficult to forecast. In the event of a serious market disruption, Signals Matter may delay or suspend trades in client accounts. Such trading delays or suspensions may result in higher or lower returns and an inability to effect portfolio management practices such as regular rebalancing.

## **ITEM 9 – DISCIPLINARY ACTION**

### **None**

Signals Matter does not have any disciplinary information to disclose.

## **ITEM 10 – OTHER FINANCIAL INDUSTRY ACTIVITIES AND AFFILIATIONS**

### **None**

Neither Signals Matter nor its Co-Founders have any material financial industry activities or affiliations to disclose.

## **ITEM 11 – CODE OF ETHICS, PARTICIPATION OR INTEREST IN CLIENT TRANSACTIONS AND PERSONAL TRADING**

### **Code of Ethics**

Signals Matter has adopted a written Code of Ethics (the "Code") that reflects Signals Matter's fiduciary duties to its clients and applies to all employees of Signals Matter. The Code, which is designed to comply with Rule 204A-1 under



the Investment Advisers Act of 1940 (as amended, the “Advisers Act”), establishes guidelines for professional conduct, personal trading procedures, including certain pre-clearance and reporting obligations for personal investing activities, gifts and entertainment given and received, outside business activities, conflicts of interest, and prohibition of using material nonpublic information, if applicable. A copy of Signals Matter’s Code will be provided to any client or prospective client upon request.

### **Personal Trading**

Signals Matter employees are generally allowed to buy, sell, and hold investments that are the same or different than those bought, sold, held, or otherwise recommended by Signals Matter for client accounts. This presents a potential conflict of interest between the personal trading activities of Signals Matter employees and the trading and investment activities conducted by Signals Matter on behalf of its clients, although this conflict is limited because our trading in these securities individually and in the aggregate, is unlikely to materially impact the securities’ prices or availability of Client managed investments.

### **Conflicts of Interest**

In the case of all conflicts of interest, we use our best judgment to identify and evaluate relevant considerations, and we determine whether to eliminate or mitigate and disclose them in our sole discretion. Signals Matter manages multiple client accounts, including accounts for Signals Matter employees. Conflicts of interest can arise in allocating time, services or functions of the Signals Matter employees responsible for managing the client accounts.

### **Policies and Procedures**

Signals Matter maintains policies and procedures designed to mitigate potential conflicts associated with trading assets for multiple client accounts, including the accounts of Signals Matter employees alongside the accounts of other clients. (See, for example, the aggregation and allocation discussion in the “Block Trading Policy” section of Item 12 – Brokerage Practices.) Signals Matter does not foresee a conflict of interest due to the liquidity and depth of the markets in which these assets trade. Clients should be aware that the potential for this conflict of interest exists.

## **ITEM 12 – BROKERAGE PRACTICES**

### **Apex Clearing**

Signals Matter has appointed Apex Clearing as its executing broker-dealer and custodian. Apex Clearing is commonly referred to as the fintech for fintech’s, powering innovation and the future of digital wealth management by providing cutting edge brokerage, clearing, and custody solutions for advisors like Signals Matter. Apex’s proprietary, enterprise-grade technology delivers speed, efficiency, and flexibility to firms ranging from innovative start-ups to blue-chip brands focused on transformation to capture a new generation of investors that include our prospective Clients. Apex will assist Signals Matter and provide the seamless digital experiences we jointly expect for our clients, with the throughput and scalability needed by fast-growing, high-volume financial services businesses like Signals Matter. Founded in 2012, Apex Clearing is registered with the SEC, a member of FINRA and a participant in SIPC.

### **Best Execution**

Signals Matter chooses its Custodians and Broker-Dealers based upon our 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 Signals Matter 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 Signals Matter's research efforts. Signals Matter does not have any other brokerage or custodial arrangements with other broker-dealers. Therefore, clients that wish to engage Signals Matter for advisory services must use Apex Clearing, or Signals Matter may decline to take on a client account.

### **Soft Dollars**

Signals Matter has no formal soft dollar arrangements in which soft dollars are used to pay for third party services.

### **Block Trading**

When we implement buys or sells of the same security for numerous accounts contemporaneously, we may elect to

purchase or sell such securities as a block trade. This process is also referred to as aggregating orders, block trading or batch trading. We use this trading approach when we believe it will be advantageous for clients. If we aggregate client orders, allocating securities among accounts is done on a fair and equitable basis. The process of aggregating client orders is done in order to achieve better execution across accounts. We will also deploy block trades to achieve more favorable commission rates or to allocate orders among clients on a more equitable basis in order to avoid differences in prices and transaction fees or other transaction costs that might be paid when orders are placed independently.

## **ITEM 13 – REVIEW OF ACCOUNTS**

### **Client Investment Portal**

Each Signals Matter client will have access to its own dashboard – a private investment portal, replete with account creation tabs for users; suitability questionnaires that assess such objectives as time horizons, age, and risk tolerance; and client agreements to digitally accept and sign, quickly and easily. The dashboard provides full transparency to view accounts, performance, and portfolio analysis with click-through-capability to individual accounts, aggregate and detailed positions, transactions, management fees, account documents, and more.

### **Continuous Monitoring**

Signals Matter continuously monitors and periodically adjusts or rebalances client accounts to seek to maintain targeted allocations across all portfolios in line with Signals Matter’s actively-managed investment philosophy. By example, we monitor all client accounts for changes in Storm Tracker cash associated with changing market risk, changes in portfolio selections, and allocation drift resulting from asset price fluctuations.

## **ITEM 14 – CLIENT REFERRALS AND OTHER COMPENSATION**

### **Referrals and Compensation**

Signals Matter may offer compensation to current clients, marketers, solicitors, and other strategic partners who recommend us and refer new clients. You will not be charged any fee, nor will you incur any additional costs for being referred to us by a current client, marketer, solicitor, or other strategic partner. We expect from time to time to run promotional campaigns to attract clients to open and fund accounts. The compensation and promotions may create an incentive for a third party or other existing client to refer prospective clients to us, even if they would otherwise not make the referral.

## **ITEM 15 – CUSTODY**

### **Apex Clearing**

Your assets are held by Apex Clearing, a qualified, third-party custodian and one of the first companies to digitize activities associated with securities trading, clearing, and custody. Apex will provide you with written transaction confirmation notices, and a written statement directly from the custodian at least quarterly. You should carefully review those documents. In addition, you are urged to compare any Signals Matters statement or report with the account statements received from the account custodian. The custodian does not verify the accuracy of our fee calculation. Please see [Item 12 – Brokerage Accounts](#) for further description of Apex Clearing.

## **ITEM 16 – INVESTMENT DISCRETION**

### **Advisory Agreement**

If you retain Signals Matter as your investment adviser, you must complete and sign an advisory agreement. Under the terms of our standard advisory agreement, we assume full discretionary authority over your account. This means that we are given full discretionary authority to select the timing, amount, and identity of assets to buy and sell for you. If you wish to impose your own restrictions on the extent to which Signals Matter exercises discretion over the investment selection in your account, those restrictions on Signals Matter’s discretionary authority must be described and agreed upon within your advisory agreement or a supplement thereto.

## **ITEM 17 – VOTING CLIENT SECURITIES**

**Voting is Up to You**

Signals Matter does not vote clients' securities on their behalf. It is each client's right and responsibility to make all voting decisions for securities held in their accounts, including whether and how to vote with respect to elections, corporate actions, such as mergers, acquisitions, tender offers, bankruptcy proceedings, and other matters. Signals Matter does not act on behalf of clients with respect to class actions or other litigation involving securities held their accounts. clients should receive proxy, corporate action, and litigation notices directly from their custodian, the issuer, the transfer agent, or attorneys involved in the litigation. We will not deliver such documents. A copy of Signals Matter's proxy voting policies and procedures will be provided to any client or prospective client upon request.

**ITEM 18 – FINANCIAL INFORMATION****For Your Information**

Signals Matter does not require or solicit payment of any fees in advance. Signals Matter has never been the subject of a bankruptcy petition or proceeding and is not subject to any financial condition that would impair its ability to fulfill its contractual commitments to its clients.