

# Timber Point Capital Management LLC

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**Firm Brochure  
(Part 2A of Form ADV)**

This brochure provides information about the qualifications and business practices of Timber Point Capital Management LLC. If you have any questions about the contents of this brochure, please contact David Cleary at 914-579-2456 or email [dcleary@timberpointcapital.com](mailto:dcleary@timberpointcapital.com). The information in this brochure has not been approved or verified by the United States Securities Exchange Commission or by any state securities authority.

Additional information about Timber Point Capital Management LLC is also available on the SEC's website at [www.adviserinfo.sec.gov](http://www.adviserinfo.sec.gov). Timber Point Capital Management LLC's CRD # is 307366.

Timber Point Capital Management LLC is a registered investment adviser. Registration with the United States Securities and Exchange Commission or any state securities authority does not imply a certain level of skill or training.

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## **Item 4 ADVISORY BUSINESS**

Timber Point Capital Management LLC (hereinafter "Timber Point") was organized in 2020 as a New York limited liability company. Timber Point is an investment adviser registered with the U.S. Securities & Exchange Commission. The principal owner of our firm is Beechmont Holding Corp. David Cleary is the principal owner of Beechmont Holding Corp.

### Assets Under Management

As of December 31, 2022, Timber Point had regulatory assets under management of \$32,520,345 million, \$32,520,345 million of which was discretionary and \$0 million was non-discretionary. These figures capture assets that Timber Point manages for investment companies registered under the Investment Companies Act of 1940.

### Investment Advisory Services

Timber Point Capital Management manages money for two investment companies registered under the Investment Companies Act of 1940.

## **Item 5 FEES AND COMPENSATION**

### Fees – Mutual Funds

Fees for the mutual funds registered under the 1940 Act managed by Timber Point are set forth in the summary prospectus and statutory prospectus for each such fund.

## **Item 6 PERFORMANCE BASED FEES AND SIDE BY SIDE MANAGEMENT**

Timber Point does not manage proprietary funds and does not engage in side-by-side management. Timber Point Capital does not provide any services for performance-based fees. Performance-based fees are those based upon a share of capital gains on or capital appreciation of the assets of a client.

## **Item 7 TYPE OF CLIENTS**

Timber Point exclusively manages discretionary investments for registered investment companies.

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

### Investment Objective

The primary objective is to generate superior risk-adjusted total returns by allocating capital across a wide variety of global asset classes utilizing a process that seeks to balance risks within a tactical allocation

framework.

### Investment Strategy

Timber Point employs a rules-based system of market and macroeconomic factors to invest in all global sectors, designed to meet broader allocation mandates and investor needs. True global orientation and broad investible universe including equities, debt, commodities, currencies and cash.

### Risk Management

Risk management begins with evaluating Economic and Investment Drivers such as real economic growth, inflation, real interest rates, taxes and regulation, US Dollar valuation, equity market valuation ratios, equity market volatility and fixed income risk premiums. The process then incorporates quantitative and qualitative factors and volatility of, and correlations of asset class returns, followed by an assessment of the probability of asset class outperformance which includes equity vs. fixed income, sectors, style, size and region.

### Investment Philosophy

Timber Point believes that no single asset class or strategy should dominate a portfolio's construction. Since asset classes and styles move in and out of favor, it is important to be forward thinking, unbiased and tactical in recognizing where opportunities lie. Historical relationships can provide signals to develop a tactical, viewpoint and investment framework, but must be paired with fundamental and forward-looking projections. A top-down global perspective, focusing on the directionality of key fundamental variables like macroeconomic trends, governmental policy and valuation help identify secular and cyclical changes across asset classes.

### Risks

Investment in securities involves risk of loss that clients should be prepared to bear. Timber Point does not guarantee the performance of the account, any investment or asset in the account, any specific level of performance, the success of any investment decision or strategy that Timber Point may use, or the success of Timber Point's overall management of the account. Clients should understand that investment decisions made for clients' accounts by Timber Point are subject to various market, currency, economic, political and business risks, and that those investment decisions will not always be profitable. Timber Point will manage only assets held in the client's account and in making investment decisions for the account, Timber Point will not consider any other securities, cash or other investments held away from our management.

Some of the securities used by the firm are listed below. In addition, a full description of risks stated in the securities descriptions is provided below the security descriptions.

Mutual Funds, Closed-end Funds and Exchange Traded Funds: Certain Timber Point investment strategies may invest in shares of ETFs, open-end funds and closed-end funds or other similar products ("Underlying Funds"). ETFs and closed-end funds may trade at prices that vary from their net asset value, sometimes significantly. Performance of an ETF pursuing a passive index-based strategy may diverge from the performance of the index. Investments in Underlying Funds are subject to the risks of such Underlying Fund's investments, and investors will bear not only the management fees and operating expenses charged by Timber Point or a fund managed by Timber Point, but also their proportional share of the management fees and operating expenses of the Underlying Funds. Clients can invest directly in Underlying Funds without incurring additional fees by investing through Timber Point.

Common Stocks: Common stocks of corporations that may or may not pay a dividend. Typically, common stocks carry voting rights. Domestic common stocks are categorized by the market capitalization of the company with less

than \$5 billion being small cap, \$5-\$30 billion being mid-cap, and greater than \$30 billion being large cap. The primary risks of domestic common stocks are price risk and credit risk.

Preferred Stock: Stock of a corporation that provides a specific dividend that is paid before payment of dividends to common stockholders. Preferred stock takes precedence over common stock in the event of a liquidation, but it does not carry voting rights. The primary risk associated with preferred stock is credit risk with liquidity risk being a secondary consideration.

Real Estate Investment Trusts (REITs): Generally, are companies that own – and typically operate – income-producing real estate or real estate-related assets. REITs provide a way for individual investors to earn a share of the income produced through commercial real estate ownership – without having to go out and buy commercial real estate. The income-producing real estate assets owned by a REIT may include office buildings, shopping malls, apartments, hotels, resorts, self-storage facilities, warehouses, and mortgages or loans. The primary risk of a REIT is price risk.

Options: Options are the right to buy or sell a specified security at a specific price at some point in the future. The primary risk of options is price risk.

Short Selling: A short sale is the sale of a stock that an investor does not own or a sale which is consummated by the delivery of a stock borrowed by, or for the account of, the investor. Short sales are normally settled by the delivery of a security borrowed by or on behalf of the investor. The investor later closes out the position by returning the borrowed security to the stock lender, typically by purchasing securities on the open market. Investors who sell stock short typically believe the price of the stock will fall and hope to buy the stock at the lower price and make a profit. Investors lose money if the stock rises. The total possible gain on a short sale is 100%, if the stock fell to zero. On the other hand, the total possible loss is, in theory, unlimited as the stock price can rise indefinitely. The primary risk of short selling is price risk.

All investment programs carry the risk of loss and there is no guarantee that any investment strategy will meet its objective. Our investment approach constantly keeps the risk of loss in mind. Depending on the types of securities you invest in, you may face the following investment risks:

- **Market Risk:** The price of a security, bond, or mutual fund may drop in reaction to tangible and intangible events and conditions. This type of risk is caused by external factors independent of a security's particular underlying circumstances. For example, political, economic and social conditions may trigger market events.
- **Inflation Risk:** When any type of inflation is present, a dollar today will not buy as much as a dollar next year, because purchasing power is eroding at the rate of inflation.
- **Business Risk:** These risks are associated with a particular industry or a particular company within an industry. For example, oil-drilling companies depend on finding oil and then refining it, a lengthy process, before they can generate a profit. They carry a higher risk of profitability than an electric company, which generates its income from a steady stream of customers who buy electricity no matter what the economic environment is like.
- **Derivatives (options) Risk:** Options involve risks and are not suitable for everyone. Option trading can be speculative in nature and carry substantial risk of loss, including the loss of principal.
- **Small/Mid Cap Risk:** Stocks of small or small, emerging companies may have less liquidity than those of larger, established companies and may be subject to greater price volatility and risk than the overall stock market
- **Diversification Risk:** Investments that are concentrated in one or few industries or sectors may involve more

risk than more diversified investments, including the potential for greater volatility.

## **Item 9 DISCIPLINARY INFORMATION**

Neither Timber Point Capital Management LLC nor any of its management persons have any legal or disciplinary reportable events.

## **Item 10 OTHER FINANCIAL INDUSTRY ACTIVITIES AND AFFILIATIONS**

Timber Point is under common ownership but not common control with Goodwood Capital Management, LLC (CRD #163595), an affiliated investment adviser. Timber Point does not draw upon the resources of its affiliates and does not receive resources for investment management, research or trading services from these affiliates and they are not considered "Participating Affiliates" as described by the SEC.

## **Item 11 CODE OF ETHICS**

Timber Point strives to comply with applicable laws and regulations governing our practices. Therefore, our Code of Ethics includes guidelines for professional standards of conduct for our Associated Persons. We place our clients' interest first. Our goal is to always protect your interests and to demonstrate our commitment to our fiduciary duties of honesty, good faith, and fair dealing with you. We expect all of our Associated Persons to adhere strictly to these guidelines. Our Code of Ethics also requires that certain persons associated with our firm submit reports of their personal account holdings and transactions to a qualified representative of our firm who will review these reports on a periodic basis. Persons associated with our firm are also required to report any violations of our Code of Ethics. Additionally, we maintain and enforce written policies reasonably designed to prevent the misuse or dissemination of material, non-public information about clients and client account holdings by persons associated with our firm.

Timber Point and/or persons associated with our firm may buy or sell securities for clients at the same time we or persons associated with our firm buy or sell such securities for our own accounts. We may also combine our orders to purchase or sell securities with your orders to purchase or sell securities ("block trading"). Please refer to the "Brokerage Practices" section in this Brochure for information on our block trading practices.

A conflict of interest exists in such cases because we have the ability to trade ahead of you and potentially receive more favorable prices than you will receive. To mitigate this conflict of interest, it is our firm's policy that we shall not have priority over your account in the purchase or sale of securities.

Our Code of Ethics is available upon request. You may obtain a copy of our Code of Ethics by contacting us at the telephone number listed on the cover page of this brochure.

## **Item 12 BROKERAGE PRACTICES**

### Best Execution

It is the general policy of Timber Point Capital Management, LLC that as an investment adviser, we owe our clients a fiduciary duty which includes seeking to obtain "best execution" on client securities transactions. To fulfill this obligation, we generally must "execute transactions for clients in such a manner that the client's total cost or net proceeds in each transaction is the most favorable under the circumstances" (whether in the form of commissions, spreads, or other compensation). For both equity and fixed income investments, our policy is to seek best execution

when executing transactions on behalf of its clients. We recognize that we have a duty to select broker-dealers, banks, or other financial institutions that will enable TPCM to obtain best execution for its clients. We have overall responsibility for overseeing the monitoring and evaluation of trade execution, and directed brokerage. We believe that in executing our policy to seek best execution, the determinative factor in each transaction is not necessarily the lowest commission cost but whether the transaction represents the best qualitative execution when considering a variety of factors.

#### Directed Brokerage

In limited circumstances, and at our discretion, some clients may instruct our firm to use one or more particular brokers for the transactions in their accounts. If you choose to direct our firm to use a particular broker, you should understand that this might prevent our firm from aggregating trades with other client accounts. This practice may also prevent our firm from obtaining favorable net price and execution. Thus, when directing brokerage business, you should consider whether the commission expenses, execution, clearance, and settlement capabilities that you will obtain through your broker are adequately favorable in comparison to those that we would otherwise obtain for you.

Timber Point has authority to determine the broker-dealers to be used when effecting transactions on behalf of its mutual fund clients and in establishing the commission rate paid on each transaction. Timber Point's Management Committee oversees its brokerage practices.

#### Block Trading and Allocation Procedures

The objective of the block trading and allocation procedures of Timber Point is to allocate investment opportunities fairly among clients so that, over time, all clients are treated equitably. It is Timber Point's general policy to allocate purchase or sale opportunities on a pro rata basis to all appropriate clients. However, Timber Point recognizes that a pro rata allocation may not always be feasible or in the best interests of clients.

In allocating a transaction Timber Point may also consider specific circumstances related to an account or an investment. As such, account allocations become tailored as necessary to the needs, restrictions and circumstances of each client account. Employee fee-paying accounts managed by Timber Point will be allocated transactions in the same manner as other Client accounts.

Block trades are used whenever possible. A block trade is a group of orders for more than one client entered as one order. Block trades will be allocated to client accounts in a systematic non-preferential manner. If the block trade does not fill at one price, resulting in partial fills, allocations to client accounts will be made on an average pricing basis. Average pricing amounts to adding up all the buys or sells at their particular price levels, multiplied by the number of shares at each particular price level and dividing by the total number of shares to determine an average price for the whole block trade. If average pricing is unavailable, the high-low method will be used. This method applies the higher fill prices to the higher account numbered clients for both buys and sells, and the lower fill prices to the lower account numbered clients for both purchases and sales. The accounts participating in a block trade will pay transaction costs on a pro rata basis.

### **Item 13 REVIEW OF ACCOUNTS**

David Cleary and other members of the investment team will monitor portfolios on an ongoing basis and conduct an internal review to determine:

- Cash levels as a percent of the total portfolio
- Performance of the portfolio and individual securities

- Unexpected changes in the portfolio value
- If account is in compliance with the Investment Management Agreement
- Quality of custodian
- Market related events
- Changes in tax laws

## **Item 14 OTHER COMPENSATION**

### Research and Soft Dollar Benefits – Mutual Funds

Timber Point receives a wide range of research services from broker-dealers who also execute transactions for Timber Point mutual fund client portfolios and from other third-party research providers. These research services can include broker research reports, other written research reports, models, meetings with research analysts, and other research-related meetings. Brokers also assist Timber Point with the acquisition of research from third parties, such as providers of market data services, with whom Timber Point does not affect transactions (“third-party research services”). Timber Point obtains third-party research services by entering into arrangements (also called “soft dollar” arrangements or “commission sharing arrangements”) under which brokers who execute, or otherwise effect client transactions compensate the third-party research providers. Timber Point has implemented controls designed to ensure that the research services it acquires under the foregoing arrangements are compliant with Section 28(e) of the Exchange Act. Section 28(e) provides a safe harbor that protects investment advisers from liability for a breach of fiduciary duty solely due to the fact it decided to pay more than the lowest available commission rate to a broker. Among other things, Timber Point’s controls are designed to confirm that Timber Point complies with its duty to seek best execution of client transactions under the circumstances. They also are intended to help Timber Point comply with Section 28(e)’s requirements that the research or brokerage services obtained with client commissions provide lawful and appropriate assistance in the decision-making process, and that the amount of the client commission is reasonable in relation to the value of the products or services provided by the broker-dealer.

## **Item 15 CUSTODY**

Custody of the two registered investment companies, which Timber Point acts as advisor, is determined by the mutual fund trust, 360 Funds Trust. Fifth Third Bank is the primary custodian of the two funds and Goldman Sachs acts as the prime broker.

## **Item 16 INVESTMENT DISCRETION**

Timber Point uses discretion in the management of the registered investment companies and is solely responsible for the investment decisions of those accounts.

## **Item 17 VOTING CLIENT SECURITIES**

### Registered Investment Companies

Timber Point will typically be granted proxy voting authority for its mutual fund clients. For these clients, Timber Point subscribes to advisory and other proxy voting services provided by Glass Lewis. These proxy advisory services provide independent analysis and recommendations regarding various companies’ proxy proposals. While this

research serves to help improve Timber Point's understanding of the issues surrounding a company's proxy proposals, Timber Point's investment professionals are ultimately responsible for providing the vote recommendation for a given non-routine proposal. Voting for each agenda of each meeting is instructed specifically, by Timber Point in accordance with the policy.

## **Item 18 FINANCIAL INFORMATION**

Registered Investment Advisers are required in this Item to provide you with certain financial information or disclosures about Timber Point's financial condition. Timber Point has no financial commitment that impairs its ability to meet contractual and fiduciary commitments to clients and has not been the subject of a bankruptcy proceeding.