

# Tactivest, LLC d/b/a Stout Wealth Management Firm Brochure - Form ADV Part 2A

*This brochure provides information about the qualifications and business practices of Tactivest, LLC. If you have any questions about the contents of this brochure, please contact us at (415) 752-7311 or by email at: [info@tactivest.com](mailto:info@tactivest.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 Tactivest, LLC is also available on the SEC's website at [www.adviserinfo.sec.gov](http://www.adviserinfo.sec.gov). Tactivest, LLC's CRD number is: 173309.*

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

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## **Item 2: Material Changes**

The material changes in this brochure from the last annual updating amendment of Tactinvest, LLC on 03/01/2023 are described below. Material changes relate to Tactinvest, LLC's policies, practices or conflicts of interests.

- Tactinvest, LLC removed reference to Betterment Securities and Jump Start Services. (Items 4 & 5)
- Charles Schwab & Co., Inc. Advisor Services has acquired TD Ameritrade. Due to this acquisition clients of the firm have transitioned from TD Ameritrade to Charles Schwab & Co., Inc. Advisor Services. (Items 12 & 14)
- Tactinvest, LLC updated its fees for financial planning services. (Item 5)

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## Item 4: Advisory Business

### A. Description of the Advisory Firm

Tactinvest, LLC d/b/a Stout Wealth Management (hereinafter "Tactinvest") is a Limited Liability Company organized in the State of California.

The firm was formed in September 2014, and the principal owner is Everest Wong.

### B. Types of Advisory Services

#### *Portfolio Management Services*

Tactinvest offers ongoing portfolio management services based on the individual goals, objectives, time horizon, and risk tolerance of each client. Tactinvest creates an Investment Policy Statement for each client, which outlines the client's current situation (income, tax levels, and risk tolerance levels). Portfolio management services include, but are not limited to, the following:

- Investment strategy
- Asset allocation
- Risk tolerance
- Personal investment policy
- Asset selection
- Regular portfolio monitoring

Tactinvest evaluates the current investments of each client with respect to their risk tolerance levels and time horizon. Tactinvest will request discretionary authority from clients in order to select securities and execute transactions without permission from the client prior to each transaction. Risk tolerance levels are documented in the Investment Policy Statement, which is given to each client.

Tactinvest seeks to provide that investment decisions are made in accordance with the fiduciary duties owed to its accounts and without consideration of Tactinvest's economic, investment or other financial interests. To meet its fiduciary obligations, Tactinvest attempts to avoid, among other things, investment or trading practices that systematically advantage or disadvantage certain client portfolios, and accordingly, Tactinvest's policy is to seek fair and equitable allocation of investment opportunities/transactions among its clients to avoid favoring one client over another over time. It is Tactinvest's policy to allocate investment opportunities and transactions it identifies as being appropriate and prudent, including initial public offerings ("IPOs") and other investment opportunities that might have a limited supply, among its clients on a fair and equitable basis over time.

#### *Selection of Other Advisers*

Tactinvest may direct clients to third party investment advisers. Before selecting other advisers for clients, Tactinvest will verify that all recommended advisers are properly licensed, notice filed, or exempt in the states where Tactinvest is recommending the adviser to clients.

## ***Financial Planning***

Financial plans and financial planning may include but are not limited to: investment planning; life insurance; tax concerns; retirement planning; college planning; and debt/credit planning.

If in offering financial planning, a conflict exists between the interests of the investment adviser and the interests of the client. The client is under no obligation to act upon the investment adviser's recommendation, and, if the client elects to act on any of the recommendations, the client is under no obligation to affect the transaction through the investment adviser. This statement is required by California Code of Regulations, 10 CCR Section 260.235.2.

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

Tactivest offers the same suite of services to all of its clients. However, specific client investment strategies and their implementation are dependent upon the client Investment Policy Statement which outlines each client's current situation (income, tax levels, and risk tolerance levels). Clients may not impose restrictions in investing in certain securities or types of securities in accordance with their values or beliefs.

### **D. Wrap Fee Programs**

A wrap fee program is an investment program wherein the investor pays one stated fee that includes management fees, transaction costs, and certain other administrative fees. Tactivest does not participate in any wrap fee programs.

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

Tactivest has the following assets under management:

Discretionary Amounts:	Non-discretionary Amounts:	Date Calculated:
\$100,554,618	\$0	December 2022

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

### **A. Fee Schedule**

Lower fees for comparable services may be available from other sources.

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

Total Assets Under Management	Annual Fee
All assets	2.5%

For certain accounts, an average of the daily balance in the client's account throughout the billing period is used to determine the market value of the assets upon which the advisory fee is based. For other accounts, the balance in the client's account on the last day of the billing period is used to determine the market value of the assets upon which the advisory fee is based. These balances are determined by the custodian utilized. Flat fee billing will be applied by Tactivest for a number of clients.

These fees are negotiable, and the final fee schedule is attached as Exhibit II of the Investment Advisory Contract. Clients may terminate the agreement without penalty for a full refund of Tactivest's fees within five business days of signing the Investment Advisory Contract. Thereafter, clients may terminate the Investment Advisory Contract generally with 15 days' written notice.

### ***Selection of Other Advisers Fees***

Tactivest may direct clients to third-party investment advisers. Tactivest will be compensated via a fee share from the advisers to which it directs those clients. The fees shared will not exceed any limit imposed by any regulatory agency. The notice of termination requirement and payment of fees for third-party investment advisers will depend on the specific third-party adviser selected.

### ***Financial Planning Fees***

Clients may terminate the agreement without penalty for a full refund of Tactivest's fees within five business days of signing the Financial Planning Agreement. Thereafter, clients may terminate the Financial Planning Agreement generally upon written notice.

### ***Fixed Fees***

The fixed rate for creating client financial plans is between \$1,000 and \$25,000. Fees are charged in arrears upon completion. Tactivest may charge a negotiated fixed fee for specific services provided, including up to the Annual Firm Wide Fee of 2.5% for ongoing and specialty consulting services. These fees may be charged up front or in arrears for the services to be provided.

### ***Hourly Fees***

The hourly fee for these services is \$500. Fees are charged in arrears upon completion.

## **B. Payment of Fees**

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

Asset-based portfolio management fees are withdrawn directly from the client's accounts with client's written authorization on a quarterly basis or may be invoiced and billed directly to the client on a quarterly basis. Clients may select the method in which they are billed. Fees are paid in advance or arrears, dependent on the custodian utilized.

### ***Payment of Financial Planning & Consulting Service Fees***

Financial planning fees are paid via check or withdrawn from the client account.

Fixed financial planning fees are paid in arrears upon completion.

Consulting service fees are paid in advance or in arrears, and are paid via check or withdrawn from the client's account(s).

Hourly financial planning fees are paid in arrears upon completion.

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

Clients are responsible for the payment of all third-party fees (i.e., custodian fees, commissions, brokerage fees, mutual fund fees, transaction fees, etc.). Those fees are separate and distinct from the fees and expenses charged by Tactivest. Please see Item 12 of this brochure regarding broker-dealer/custodian.

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

For all asset-based fees paid in advance, the fee refunded will be equal to the balance of the fees collected in advance minus the daily rate\* times the number of days elapsed in the billing period up to and including the day of termination. (\*The daily rate is calculated by dividing the annual asset-based fee by 365.)

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

Neither Tactivest nor its supervised persons accept any compensation for the sale of investment products, including asset-based sales charges or service fees from the sale of mutual funds.

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

Tactivest does not accept performance-based fees or other fees based on a share of capital gains on or capital appreciation of the assets of a client.



## Item 7: Types of Clients

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

- ❖ Individuals
- ❖ High-Net-Worth Individuals
- ❖ Trust Estates
- ❖ Charitable Organizations
- ❖ Pension and/or Profit-Sharing Plans

### *Minimum Account Size*

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

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

### A. Methods of Analysis and Investment Strategies

#### *Methods of Analysis*

Tactivest's methods of analysis MAY include charting analysis, fundamental analysis, technical analysis, cyclical analysis, quantitative analysis and modern portfolio theory as well as use of outside Third-Party Analysis.

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

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

**Technical analysis** involves the analysis of past market data; primarily price and volume.

**Cyclical analysis** involves the analysis of business cycles to find favorable conditions for buying and/or selling a security.

**Quantitative analysis** deals with measurable factors as distinguished from qualitative considerations such as the character of management or the state of employee morale, such as the value of assets, the cost of capital, historical projections of sales, and so on.

**Modern portfolio theory** is a theory of investment that attempts to maximize portfolio expected return for a given amount of portfolio risk, or equivalently minimize risk for a given level of expected return, each by carefully choosing the proportions of various asset.

#### *Investment Strategies*

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

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

## **B. Material Risks Involved**

### ***Methods of Analysis***

**Charting analysis** strategy involves using and comparing various charts to predict long and short-term performance or market trends. The risk involved in using this method is that only past performance data is considered without using other methods to crosscheck data. Using charting analysis without other methods of analysis would be making the assumption that past performance will be indicative of future performance. This may not be the case.

**Fundamental analysis** concentrates on factors that determine a company's value and expected future earnings. This strategy would normally encourage equity purchases in stocks that are undervalued or priced below their perceived value. The risk assumed is that the market will fail to reach expectations of perceived value.

**Technical analysis** attempts to predict a future stock price or direction based on market trends. The assumption is that the market follows discernible patterns and if these patterns can be identified then a prediction can be made. The risk is that markets do not always follow patterns and relying solely on this method may not take into account new patterns that emerge over time.

**Cyclical analysis** assumes that the markets react in cyclical patterns which, once identified, can be leveraged to provide performance. The risks with this strategy are two-fold: 1) the markets do not always repeat cyclical patterns; and 2) if too many investors begin to implement this strategy, then it changes the very cycles these investors are trying to exploit.

**Quantitative Model Risk:** Investment strategies using quantitative models may perform differently than expected as a result of, among other things, the factors used in the models, the weight placed on each factor, changes from the factors' historical trends, and technical issues in the construction and implementation of the models.

**Modern Portfolio Theory** assumes that investors are risk adverse, meaning that given two portfolios that offer the same expected return, investors will prefer the less risky one. Thus, an investor will take on increased risk only if compensated by higher expected returns. Conversely, an investor who wants higher expected returns must accept more risk. The exact trade-off will be the same for all investors, but different investors will evaluate the trade-off differently based on individual risk aversion characteristics. The implication is that a rational investor will not invest in a portfolio if a second portfolio

exists with a more favorable risk-expected return profile – i.e., if for that level of risk an alternative portfolio exists which has better expected returns.

### ***Investment Strategies***

Tactivest's use of short sales, margin transactions and options trading generally holds greater risk, and clients should be aware that there is a material risk of loss using any of those strategies.

**Long term trading** is designed to capture market rates of both return and risk. Due to its nature, the long-term investment strategy can expose clients to various types of risk that will typically surface at various intervals during the time the client owns the investments. These risks include but are not limited to inflation (purchasing power) risk, interest rate risk, economic risk, market risk, and political/regulatory risk.

**Short term trading** risks include liquidity, economic stability, and inflation, in addition to the long-term trading risks listed above. Frequent trading can affect investment performance, particularly through increased brokerage and other transaction costs and taxes.

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

**Margin transactions** use leverage that is borrowed from a brokerage firm as collateral. When losses occur, the value of the margin account may fall below the brokerage firm's threshold thereby triggering a margin call. This may force the account holder to either allocate more funds to the account or sell assets on a shorter time frame than desired.

**Options transactions** involve a contract to purchase a security at a given price, not necessarily at market value, depending on the market. This strategy includes the risk that an option may expire out of the money resulting in minimal or no value, as well as the possibility of leveraged loss of trading capital due to the leveraged nature of stock options.

**Selection of Other Advisers:** Although Tactivest will seek to select only money managers who will invest clients' assets with the highest level of integrity, Tactivest's selection process cannot ensure that money managers will perform as desired and Tactivest will have no control over the day-to-day operations of any of its selected money managers. Tactivest would not necessarily be aware of certain activities at the underlying money manager level, including without limitation a money manager's engaging in unreported risks, investment "style drift" or even regulator breach or fraud. In monitoring and analyzing the third-party advisers, Tactivest uses benchmarking analysis, assessing whether the adviser's performance has met, exceeded, or fallen short of comparable benchmarks (e.g., Russell 2000, S&P 500, etc.), together with comparison against any stated benchmarks the adviser has set for itself.

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

### C. Risks of Specific Securities Utilized

Tactivest's use of short sales, margin transactions and options trading generally hold greater risk of capital loss. Clients should be aware that there is a material risk of loss using any investment strategy. The investment types listed below (leaving aside Treasury Inflation Protected/Inflation Linked Bonds) are not guaranteed or insured by the FDIC or any other government agency.

**Mutual Funds:** Investing in mutual funds carries the risk of capital loss and thus you may lose money investing in mutual funds. All mutual funds have costs that lower investment returns. The funds can be of bond "fixed income" nature (lower risk) or stock "equity" nature.

**Equity** investment generally refers to buying shares of stocks in return for receiving a future payment of dividends and/or capital gains if the value of the stock increases. The value of equity securities may fluctuate in response to specific situations for each company, industry conditions and the general economic environments.

**Fixed income** investments generally pay a return on a fixed schedule, though the amount of the payments can vary. This type of investment can include corporate and government debt securities, leveraged loans, high yield, and investment grade debt and structured products, such as mortgage and other asset-backed securities, although individual bonds may be the best known type of fixed income security. In general, the fixed income market is volatile and fixed income securities carry interest rate risk. (As interest rates rise, bond prices usually fall, and vice versa. This effect is usually more pronounced for longer-term securities.) Fixed income securities also carry inflation risk, liquidity risk, call risk, and credit and default risks for both issuers and counterparties. The risk of default on treasury inflation protected/inflation linked bonds is dependent upon the U.S. Treasury defaulting (extremely unlikely); however, they carry a potential risk of losing share price value, albeit rather minimal. Risks of investing in foreign fixed income securities also include the general risk of non-U.S. investing described below.

**Exchange Traded Funds (ETFs):** An ETF is an investment fund traded on stock exchanges, similar to stocks. Investing in ETFs carries the risk of capital loss (sometimes up to a 100% loss in the case of a stock holding bankruptcy). Areas of concern include the lack of transparency in products and increasing complexity, conflicts of interest and the possibility of inadequate regulatory compliance. Precious Metal ETFs (e.g., Gold, Silver, or Palladium Bullion backed "electronic shares" not physical metal) specifically may be negatively impacted by several unique factors, among them (1) large sales by the official sector which own a significant portion of aggregate world holdings in gold and other precious metals, (2) a significant increase in hedging activities by producers of gold or other precious metals, (3) a significant change in the attitude of speculators and investors.

**Annuities** are a retirement product for those who may have the ability to pay a premium now and want to guarantee they receive certain monthly payments or a return on investment later in the future. Annuities are contracts issued by a life insurance company

designed to meet requirement or other long-term goals. An annuity is not a life insurance policy. Variable annuities are designed to be long-term investments, to meet retirement and other long-range goals. Variable annuities are not suitable for meeting short-term goals because substantial taxes and insurance company charges may apply if you withdraw your money early. Variable annuities also involve investment risks, just as mutual funds do.

**Private placements** carry a substantial risk as they are subject to less regulation than are publicly offered securities, the market to resell these assets under applicable securities laws may be illiquid, due to restrictions, and the liquidation may be taken at a substantial discount to the underlying value or result in the entire loss of the value of such assets.

**Venture capital funds** invest in start-up companies at an early stage of development in the interest of generating a return through an eventual realization event; the risk is high as a result of the uncertainty involved at that stage of development.

**Options** are contracts to purchase a security at a given price, risking that an option may expire out of the money resulting in minimal or no value. An uncovered option is a type of options contract that is not backed by an offsetting position that would help mitigate risk. The risk for a “naked” or uncovered put is not unlimited, whereas the potential loss for an uncovered call option is limitless. Spread option positions entail buying and selling multiple options on the same underlying security, but with different strike prices or expiration dates, which helps limit the risk of other option trading strategies. Option transactions also involve risks including but not limited to economic risk, market risk, sector risk, idiosyncratic risk, political/regulatory risk, inflation (purchasing power) risk and interest rate risk.

**Non-U.S. securities** present certain risks such as currency fluctuation, political and economic change, social unrest, changes in government regulation, differences in accounting and the lesser degree of accurate public information available.

**Past performance is not indicative of future results. Investing in securities involves a risk of loss that you, as a client, should be prepared to bear.**

## **Item 9: Disciplinary Information**

### **A. Criminal or Civil Actions**

There are no criminal or civil actions to report.

### **B. Administrative Proceedings**

There are no administrative proceedings to report.

### **C. Self-regulatory Organization (SRO) Proceedings**

There are no self-regulatory organization proceedings to report.

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

### **A. Registration as a Broker/Dealer or Broker/Dealer Representative**

Neither Tactivest nor its representatives are registered as, or have pending applications to become, a broker/dealer or a representative of a broker/dealer.

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

Neither Tactivest nor its representatives are registered as or have pending applications to become either a Futures Commission Merchant, Commodity Pool Operator, or Commodity Trading Advisor or an associated person of the foregoing entities.

### **C. Registration Relationships Material to this Advisory Business and Possible Conflicts of Interests**

Certain representatives of Tactivest are independent licensed insurance agents, and from time to time, will offer clients advice or products from those activities. Clients should be aware that these services pay a commission or other compensation and involve a conflict of interest, as commissionable products conflict with the fiduciary duties of a registered investment adviser. Tactivest always acts in the best interest of the client; including the sale of commissionable products to advisory clients. Clients are in no way required to implement the plan through any representative of Tactivest in such individual's capacity as an insurance agent.

All material conflicts of interest under Section 260.238 (k) of the California Corporations Code are disclosed regarding the investment adviser, its representatives or any of its employees, which could be reasonably expected to impair the rendering of unbiased and objective advice.

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

Tactivest may direct clients to third-party investment advisers. Tactivest will be compensated via a fee share from the advisers to which it directs those clients. The fees shared will not exceed any limit imposed by any regulatory agency. This creates a conflict of interest in that Tactivest has an incentive to direct clients to the third-party investment advisers that provide Tactivest with a larger fee split. Tactivest will always act in the best interests of the client, including when determining which third-party investment adviser to recommend to clients. Tactivest will verify that all recommended advisers are properly

licensed, notice filed, or exempt in the states where Tactivest is recommending the adviser to clients.

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

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

Tactivest has a written Code of Ethics that covers the following areas: Prohibited Purchases and Sales, Insider Trading, Personal Securities Transactions, Exempted Transactions, Prohibited Activities, Conflicts of Interest, Gifts and Entertainment, Confidentiality, Service on a Board of Directors, Compliance Procedures, Compliance with Laws and Regulations, Procedures and Reporting, Certification of Compliance, Reporting Violations, Compliance Officer Duties, Training and Education, Recordkeeping, Annual Review, and Sanctions. Tactivest's Code of Ethics is available free upon request to any client or prospective client.

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

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

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

From time to time, representatives of Tactivest may buy or sell securities for themselves that they also recommend to clients. This may provide an opportunity for representatives of Tactivest to buy or sell the same securities before or after recommending the same securities to clients resulting in representatives profiting off the recommendations they provide to clients. Such transactions may create a conflict of interest. Tactivest will always document any transactions that could be construed as conflicts of interest and will never engage in trading that operates to the client's disadvantage when similar securities are being bought or sold.

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

From time to time, representatives of Tactivest may buy or sell securities for themselves at or around the same time as clients. This may provide an opportunity for representatives of Tactivest to buy or sell securities before or after recommending securities to clients resulting in representatives profiting off the recommendations they provide to clients. Such transactions may create a conflict of interest; however, Tactivest will never engage in trading that operates to the client's disadvantage if representatives of Tactivest buy or sell securities at or around the same time as clients.



## **Item 12: Brokerage Practices**

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

Custodians/broker-dealers will be recommended based on Tactivest's duty to seek "best execution," which is the obligation to seek execution of securities transactions for a client on the most favorable terms for the client under the circumstances. Clients will not necessarily pay the lowest commission or commission equivalent, and Tactivest 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 Tactivest's research efforts. Tactivest will never charge a premium or commission on transactions, beyond the actual cost imposed by the broker-dealer/custodian.

Tactivest recommends Jackson National Life Distributors LLC, Lincoln Financial Group, American Funds Distributors, Inc and Schwab Advisor Services division of Charles Schwab & Co.

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

While Tactivest has no formal soft dollars program in which soft dollars are used to pay for third party services, Tactivest may receive research, products, or other services from custodians and broker-dealers in connection with client securities transactions ("soft dollar benefits"). Tactivest may enter into soft-dollar arrangements consistent with (and not outside of) the safe harbor contained in Section 28(e) of the Securities Exchange Act of 1934, as amended. There can be no assurance that any particular client will benefit from soft dollar research, whether or not the client's transactions paid for it, and Tactivest does not seek to allocate benefits to client accounts proportionate to any soft dollar credits generated by the accounts. Tactivest benefits by not having to produce or pay for the research, products or services, and Tactivest will have an incentive to recommend a broker-dealer based on receiving research or services. Clients should be aware that Tactivest's acceptance of soft dollar benefits may result in higher commissions charged to the client.

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

Tactivest receives no referrals from a broker-dealer or third party in exchange for using that broker-dealer or third party.

#### ***3. Clients Directing Which Broker/Dealer/Custodian to Use***

Tactivest may permit clients to direct it to execute transactions through a specified broker-dealer. If a client directs brokerage, then the client will be required to acknowledge in writing that the client's direction with respect to the use of brokers supersedes any authority granted to Tactivest to select brokers; this direction may



result in higher commissions, which may result in a disparity between free and directed accounts; the client may be unable to participate in block trades (unless Tactinvest is able to engage in “step outs”); and trades for the client and other directed accounts may be executed after trades for free accounts, which may result in less favorable prices, particularly for illiquid securities or during volatile market conditions. Not all investment advisers allow their clients to direct brokerage.

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

If Tactinvest buys or sells the same securities on behalf of more than one client, then it may (but would be under no obligation to) aggregate or bunch such securities in a single transaction for multiple clients in order to seek more favorable prices, lower brokerage commissions, or more efficient execution. In such case, Tactinvest would place an aggregate order with the broker on behalf of all such clients in order to ensure fairness for all clients; provided, however, that trades would be reviewed periodically to ensure that accounts are not systematically disadvantaged by this policy. Tactinvest would determine the appropriate number of shares and select the appropriate brokers consistent with its duty to seek best execution, except for those accounts with specific brokerage direction (if any).

### **Item 13: Reviews of Accounts**

#### **A. Frequency and Nature of Periodic Reviews and Who Makes Those Reviews**

All client accounts for Tactinvest 's advisory services provided on an ongoing basis are reviewed at least annually by one of Tactinvest's Investment Advisors or Portfolio Managers with regard to clients' respective investment policies and risk tolerance levels. All accounts at Tactinvest will be assigned to their respective Investment Advisor or Portfolio Manager.

All financial planning accounts are reviewed upon financial plan creation and plan delivery by one of Tactinvest's Investment Advisors or Portfolio Managers. There is only one level of review for financial planning, and that is the total review conducted to create the financial plan.

#### **B. Factors That Will Trigger a Non-Periodic Review of Client Accounts**

Reviews may be triggered by material market, economic or political events, or by changes in client's financial situations (such as retirement, termination of employment, physical move, or inheritance).

With respect to financial plans, Tactinvest's services will generally conclude upon delivery of the financial plan.

### **C. Content and Frequency of Regular Reports Provided to Clients**

Each client of Tactivest 's advisory services provided on an ongoing basis will receive a quarterly report detailing the client's account, including assets held, asset value, and calculation of fees. This written report will come from the custodian.

Each financial planning client will receive the financial plan upon completion.

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

### **A. Economic Benefits Provided by Third Parties for Advice Rendered to Clients (Includes Sales Awards or Other Prizes)**

Charles Schwab & Co., Inc. Advisor Services provides Tactivest with access to Charles Schwab & Co., Inc. Advisor Services' institutional trading and custody services, which are typically not available to Charles Schwab & Co., Inc. Advisor Services retail investors. These services generally are available to independent investment advisers on an unsolicited basis, at no charge to them so long as a total of at least \$10 million of the adviser's clients' assets are maintained in accounts at Charles Schwab & Co., Inc. Advisor Services. Charles Schwab & Co., Inc. Advisor Services includes brokerage services that are related to the execution of securities transactions, custody, research, including that in the form of advice, analyses and reports, and access to mutual funds and other investments that are otherwise generally available only to institutional investors or would require a significantly higher minimum initial investment. For Tactivest client accounts maintained in its custody, Charles Schwab & Co., Inc. Advisor Services generally does not charge separately for custody services but is compensated by account holders through commissions or other transaction-related or asset-based fees for securities trades that are executed through Charles Schwab & Co., Inc. Advisor Services or that settle into Charles Schwab & Co., Inc. Advisor Services accounts.

Charles Schwab & Co., Inc. Advisor Services also makes available to Tactivest other products and services that benefit Tactivest but may not benefit its clients' accounts. These benefits may include national, regional or Tactivest specific educational events organized and/or sponsored by Charles Schwab & Co., Inc. Advisor Services. Other potential benefits may include occasional business entertainment of personnel of Tactivest by Charles Schwab & Co., Inc. Advisor Services personnel, including meals, invitations to sporting events, including golf tournaments, and other forms of entertainment, some of which may accompany educational opportunities. Other of these products and services assist Tactivest in managing and administering clients' accounts. These include software and other technology (and related technological training) that provide access to client account data (such as trade confirmations and account statements), facilitate trade execution (and allocation of aggregated trade orders for multiple client accounts, if applicable), provide research, pricing information and other market data, facilitate payment of Tactivest fees from its clients' accounts (if applicable), and assist with back-office training and support functions, recordkeeping and client reporting. Many of these

services generally may be used to service all or some substantial number of Tactivest's accounts. Charles Schwab & Co., Inc. Advisor Services also makes available to Tactivest other services intended to help Tactivest manage and further develop its business enterprise. These services may include professional compliance, legal and business consulting, publications and conferences on practice management, information technology, business succession, regulatory compliance, employee benefits providers, and human capital consultants, insurance and marketing. In addition, Charles Schwab & Co., Inc. Advisor Services may make available, arrange and/or pay vendors for these types of services rendered to TACTIVEST by independent third parties. Charles Schwab & Co., Inc. Advisor Services may discount or waive fees it would otherwise charge for some of these services or pay all or a part of the fees of a third-party providing these services to Tactivest. Tactivest is independently owned and operated and not affiliated with Charles Schwab & Co., Inc. Advisor Services.

Tactivest may receive compensation from third-party advisers to which it directs clients.

### ***Forgivable Loans***

Andrew Stout is registered as an investment adviser representative with Tactivest and has obtained an EFL - Employee Forgivable Loan from Tactivest. This presents a conflict of interest in that the representative may have an incentive to make a recommendation that is not disinterested. Tactivest has policies and procedures in place to identify, and at a minimum, disclose or eliminate all conflicts of interest associated with forgivable loans issued to investment adviser representatives of Tactivest. Tactivest will mitigate any conflicts of interest in the client's best interest.

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

Tactivest may, via written arrangement, retain third parties to act as solicitors for Tactivest's investment management services. All compensation with respect to the foregoing will be fully disclosed to each client to the extent required by applicable law. Tactivest will ensure each solicitor is properly registered in all appropriate jurisdictions. Tactivest will ensure that the compensated person will be properly registered as a solicitor and follow CCR 260.236(c)(2) requirements.

## **Item 15: Custody**

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

Because client fees will be withdrawn directly from client accounts, Tactivest will:

(A) Possess written authorization from the client to deduct advisory fees from an account held by a qualified custodian.

(B) Send the qualified custodian written notice of the amount of the fee to be deducted from the client's account and verify that the qualified custodian sends invoices to the client.

(C) Send the client a written invoice itemizing the fee upon or prior to fee deduction, including the formula used to calculate the fee, the time period covered by the fee and the amount of assets under management on which the fee was based.

Tactivest may also be deemed to have custody over the funds and securities of trust accounts for which it or its related persons serve as trustee.

## **Item 16: Investment Discretion**

Tactivest provides discretionary and non-discretionary investment advisory services to clients. The Investment Advisory Contract established with each client sets forth the discretionary authority for trading. Where investment discretion has been granted, Tactivest generally manages the client's account and makes investment decisions without consultation with the client as to when the securities are to be bought or sold for the account, the total amount of the securities to be bought/sold, what securities to buy or sell, or the price per share.

Where Tactivest does not have discretionary authority to place trade orders, Tactivest will secure client permission prior to effecting securities transactions for the client's account

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

Tactivest will not ask for, nor accept voting authority for client securities. Clients will receive proxies directly from the issuer of the security or the custodian. Clients should direct all proxy questions to the issuer of the security.

## **Item 18: Financial Information**

### **A. Balance Sheet**

Tactivest neither requires nor solicits prepayment of more than \$1200 in fees per client, six months or more in advance, and therefore is not required to include a balance sheet with this brochure.

### **B. Financial Conditions Reasonably Likely to Impair Ability to Meet Contractual Commitments to Clients**

Neither Tactivest nor its management has any financial condition that is likely to reasonably impair Tactivest's ability to meet contractual commitments to clients.

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

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