



**Item 1 - Cover Page**

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(aka Mutual Trust Family Office)

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**February 7, 2022**

This Brochure provides information about the qualifications and business practices of Mutual Trust Advisory Group, Inc. (MTAG). If you have any questions about the contents of this Brochure, please contact us at: 239-204-4333 or [Scott@mtagrp.com](mailto:Scott@mtagrp.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.

Mutual Trust Advisory Group is a Registered Investment Adviser. Registration of an investment adviser does not imply any level of skill or training. The oral and written communications of an advisor provide you with information about which you determine to hire or retain an advisor. Additional information about Mutual Trust Advisory Group is available on the SEC's website at [www.Adviserinfo.sec.gov](http://www.Adviserinfo.sec.gov).

## **Item 2 - Material Changes**

### **Material Changes Since Our Previous Annual Update**

On February 7, 2022, we submitted our annual updating amendment filing for 2021 and amended Item 4 of our Form ADV Part 2A Brochure to reflect discretionary assets under management of \$235,771,231. We also made the following changes to the document:

- We added pension consulting services and fees to Item 4 and 5.
- We added important disclosures regarding our policies of billing on cash positions and billing during periods of portfolio inactivity.
- We added compliance risk disclosures related to cybersecurity, pandemics and cryptocurrency.

We review, and if necessary, update our brochure at least annually to make sure that it remains current. If you would like to receive a complete copy of our current brochure free of charge at any time, please contact us at 239-204-4333.

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#### **Item 4 - Advisory Activities of Mutual Trust Advisory Group (MTAG)**

Mutual Trust Advisory Group, Inc. ("MTAG" or the "firm") is a registered investment adviser based in Estero, Florida. We are a corporation under the laws of the State of Florida. MTAG has been registered as an investment advisor since 2016. The principal owner of MTAG is Scott R. Schatzle.

MTAG has three types of engagements:

- Financial Planning Engagements
- Investment Management Service
- Wealth Management Services

#### **Financial Planning Engagements**

MTAG offers various financial planning related services, which assist Clients in the management of their financial resources. Financial planning services are based upon an analysis of the Client's individual needs beginning with one or more information gathering consultations. Once the firm has collected and analyzed all documentation gathered during these consultations, MTAG provides a written financial plan designed to achieve the Client's financial goals and objectives. MTAG then assists Clients in developing a strategy for the successful management of income, assets, and liabilities. In general, financial planning services may include any one or all of the following:

- Cash Flow Analysis – Assessment of present financial situation by collecting information regarding net worth and cash flow statements, tax returns, insurance policies, investment portfolios, pension plans, employee benefit statements, etc. The firm advises on ways to reduce risk; and, to coordinate and organize records and estate information.
- Retirement Analysis – Identification of long-term financial and personal goals and objectives including advice for accumulating wealth for retirement income or appropriate distribution of assets following retirement. Tax consequences and implications are identified and evaluated.
- Insurance Analysis – Includes risk management associated with advisory recommendations based on a combination of insurance types to meet your needs, e.g., life, health, disability, and long-term care insurance. This will necessitate an analysis of cash needs of the Client's family at death, income needs of surviving dependents, and potential disability income needs.
- Portfolio Analysis/Investment Planning – Presentation of investment alternatives, including asset allocation and its effect on the Client's portfolio; evaluation of economic and tax characteristics of existing investments as well as their suitability for the Client; and, identification and evaluation of tax consequences and their implications.
- Education Savings Analysis – Alternatives and strategies with respect to the complete or partial funding of college or other post-secondary education.
- Estate, Gift & Trust Planning – We provide explanations, summaries, and illustrations of existing and proposed estate planning documents and strategies, including Advising Clients with respect to property ownership, distribution strategies, estate tax reduction, tax payment techniques, recommendations and education on additional strategies, considerations for making updates periodically and further coordination with family's tax and legal advisor(s) to implement agreed upon strategies or updates.
- Tax Planning – Includes planning for the minimization of tax liabilities, including asset location, tax loss harvesting and gain minimization planning, charitable asset selection, facilitation of income tax payments and coordination with family's tax advisor(s).

In addition, we provide a number of non investment advisory consulting services, such as the coordination of accounting, trust and/or estate planning legal representation (separate agreement with retained counsel will be required), bill pay services, research and coordination of visits to independent, assisted and continuing care facilities, advice on family governance, legacy & philanthropic planning and related educational services, business acquisition, succession and exit planning advice and guidance.

The recommendations and solutions are designed to achieve the Client's desired goals, subject to periodic evaluation of the financial plan, which may require revisions to meet changing circumstances. Financial plans are based on your financial situation based on the information provided to the firm. We should be notified promptly of any change to your financial situation, goals, objectives, or needs.

Clients may choose to accept or reject our recommendations. If you decide to proceed with our recommendations, you may do so by engaging us for investment advisory services or by using any advisory, brokerage, or insurance provider you choose.

Important Note: MTAG is not a law firm and information related to legal matters that is provided as part of a financial plan is for informative purposes only. Clients are instructed to contact their legal advisers for personalized advice.

#### **Investment Management services**

MTAG offers discretionary portfolio management services to our Clients. Discretionary portfolio management means we will make investment decisions and place buy or sell orders in your account without contacting you. These decisions would be made based upon your stated investment objectives. If you wish, you may limit our discretionary authority by, for example, setting a limit on the type of securities that can be purchased for your account. Simply provide us with your restrictions or guidelines in writing.

Our investment advice is tailored to meet our Clients' needs and investment objectives. If you decide to hire our firm to manage your portfolio, we will meet with you to gather your financial information, determine your goals, and help you decide how much risk you should take in your investments. The information we gather will help us implement an asset allocation strategy that will be specific to your goals, whether we are actively investing for you or simply providing you with advice.

MTAG does not specialize in specific types of securities. We can advise Clients on various types of securities, such as exchange listed equities, over the counter equities, foreign issues, American depository receipts, corporate debt securities, commercial paper, certificates of deposit, municipal securities, investment company securities (including mutual funds and exchange traded funds), US Government securities, options contracts on securities and/or commodities, private equity instruments, and interests in partnership investing in real estate. Additionally, will provide advice on existing investments you may hold at the inception of the advisory relationship or on other types of investments for which you ask advice.

If you engage us for portfolio management services, we will monitor your portfolio's performance on a continuous basis, and rebalance the portfolio whenever necessary, as changes occur in market conditions and/or your financial circumstances.

### **Wealth Management Services**

MTAG provides broad-based wealth management services to Clients. This service is a combination of the financial planning and investment management services. Wealth management clients first receive a financial plan similar to the one presented to financial planning clients. Once a financial plan has been provided to the Client, MTAG will then assist the Client in developing a strategy for the successful management of their investments as part of an ongoing investment management service. Financial planning and investment management services are described fully above.

### **Pension Consulting Services**

MTAG provides several pension consulting related services. While the primary clients for these services will be pension, profit sharing and 401(k) plans, MTAG will also offer these services, where appropriate, to individuals and trusts, estates and charitable organizations. Pension Consulting Services are comprised of the following components. Clients may choose to use any or all of the following services:

- Assistance with the review and revision of Investment Policy Statements (“IPS”) as requested.
- Assistance with on-going monitoring and recommendations regarding the replacement of the Plan’s investments and investment providers, non discretionary portfolio advice.
- Meetings with Clients on a periodic basis to discuss the reports and investment decisions.
- Assistance with the monitoring of investment options by preparing quarterly reports that document investment performance, consistency of fund management, and conformance to any guidelines set forth in the IPS and will notify you with any recommendations.
- Analysis of the fees and expenses associated with the investments and the service providers and recommend changes when warranted.
- Assistance with the selection of a qualified default investment alternative (“QDIA”) and determination of the continuing suitability of a QDIA.

These services are designed to assist plan sponsors in meeting their management and fiduciary obligations to Participants under ERISA. Pursuant to adopted regulations of the U.S. Department of Labor, we are required to provide the Plan's responsible plan fiduciary (the person who has the authority to engage us as an investment adviser to the Plan) with a written statement of the services we provide to the Plan, the compensation we receive for providing those services, and our status (which is described below).

The services we provide to your Plan are described above, and in the service agreement that you have previously signed. Our compensation for these services is described below, in Item 5, and also in the Pension Consulting Agreement. We do not reasonably expect to receive any other compensation, direct or indirect, for the services we provide to the Plan or Participants, unless the plan sponsor directs us to deduct our fee from the plan or directs the plan record-keeper to issue payment for our fee out of the plan. If we receive any other compensation for such services, we will (i) offset the compensation against our stated fees, and (ii) we will promptly disclose the amount of such compensation, the services rendered for such compensation and the payer of such compensation to you.

Other pension consulting services are available on request. All of our pension consulting services, whether general or customized, will be outlined in an Agreement that shows the services that will be provided and the fees that will be charged for those services.

MTAG is registered as an investment advisor and represents that it is not subject to any disqualification as set forth in Section 411 under the Employee Retirement Income Security Act (“ERISA”). To the extent MTAG performs Fiduciary Services, MTAG is acting as a fiduciary of the Plan as defined in Section 3(21) or

Section 3(38) under ERISA.

MTAG may also perform the following Non-Fiduciary services:

- Assistance with the education of the participants in the Plan about general investment principles. Client understands that MTAG's assistance in participant investment education shall be consistent with and within the scope of the definition of investment education of Department of Labor Interpretive Bulletin 96-1. As such, MTAG is not providing fiduciary advice (as defined in ERISA) to the participants. MTAG will not provide individualized investment advice concerning the prudence of any investment or combination of investment for a particular participant or beneficiary under the Plan.
- Assistance with group enrollment meetings designed to increase retirement plan participation among employees and investment and financial understanding by the employees.

MTAG may provide these services or, alternatively, may arrange for the Plan's other providers to offer these services, as agreed upon between MTAG and Client.

### **Assets Under Management**

As of January 19, 2022, we had discretionary assets under management of approximately \$235,771,231, and non-discretionary assets under management of \$0.

## **Item 5 – Fees and Compensation**

### **Financial Planning Engagement Fees**

MTAG's fee is determined prior to the start of the engagement, and takes into account the scope of the engagement, its complexity, and the expected time required for the engagement. MTAG charges a negotiable fixed fee that ranges from \$25,000 to \$250,000 or an hourly fee of up to \$350/hour. The exact fee to be paid by the client, along with the payment arrangement, will be listed in the advisory agreement signed by the Client. Depending on the payment arrangement and terms negotiated with the Client, MTAG will either charge a portion of the fee at the time of the engagement, with the balance payable upon completion of the engagement; or, fees will be paid on a quarterly basis, in advance. When a quarterly payment arrangement is negotiated with the Client, the financial planning agreement will self renew annually at the same annual rate (unless agreed otherwise in writing). If an hourly fee is used, the rate is determined by the complexity and experience needed for the engagement. Hourly fees are billed in hourly increments, and due upon delivery of service. MTAG's Financial Planning Engagement fee is either paid by check or directly deducted from the Client's account. In cases where the fee is directly deducted from the Client's account, MTAG will follow the invoicing process that is listed in the Wealth Management Services Fees section below. We do not require the prepayment of more than \$500 in fees, six or more months in advance.

### **Investment Management Service Fee**

For clients receiving investment management services only, MTAG charges a fee of up to 1.75% of the value of the investment portfolio. Fees are billed quarterly, in advance, and are based on the value of your portfolio at the end of the preceding quarter. Investment management fees are negotiable depending on factors such as the amount of assets under management, range of investments, and complexity of the Client's financial circumstances, among others. The exact fee to be paid by the Client will be clearly stated in the investment management agreement signed by the Client and the firm.

MTAG will either invoice the client directly for payment of fees or fees will be deducted directly from the client's account through the qualified custodian holding the client's funds and securities. We will deduct

our advisory fee only when you have given our firm written authorization permitting the fees to be paid directly from your account. Further, the qualified custodian will deliver an account statement to you at least quarterly. These account statements will show all disbursements from your account.

At the inception of services, the first pay period's fees will be calculated on a pro-rata basis. The investment management agreement between the Client and MTAG will continue in effect until either party terminates the investment management agreement in accordance with the terms of the investment management agreement. MTAG's annual fee will be pro-rated through the date of termination and any pre-paid, unearned fees will be promptly refunded to the Client.

### **Wealth Management Services Fees**

At the inception of service, the client pays us a fixed fee of up to \$12,500 for the creation of the written financial plan. The fee is payable upon delivery of the plan. Once the plan is delivered, clients pay an ongoing management fee based upon a percentage of the market value of the assets being managed. Wealth management fees are billed quarterly, in advance; and, they are based on the value of your portfolio at the end of the preceding quarter. Terms of payment are stated in the wealth management agreement signed by the Client and the firm. The fee includes ongoing revisions of the initial financial plan and the management of the client's portfolio. We charge the following annualized asset management fees:

<b>Assets Under Management</b>	<b>Annual Advisory Fee</b>
First \$1,000,000	0.95%
Next \$4,000,000	0.50%
Over \$5,000,000	0.25%

For example, assume that the fair market value of a portfolio at the end of the billing period is \$4,000,000. In this hypothetical example, our quarterly management fee would be assessed as follows:

First \$1,000,000 of account value would be billed at a quarterly rate of  $.95\%/4$  ( $\$1,000,000 \times 0.2375 = \$2,375$ ); Next \$3,000,000 of account value would be billed at a quarterly rate of  $.50\%/4$  ( $\$3,000,000 \times 0.125 = \$3,750$ ); the fee for various break points is then added together to determine the total quarterly Account fee:  $\$2,375 + \$3,750 = \$6,125$ .

Wealth management fees are negotiable depending on factors such as the amount of assets under management, range of investments, and complexity of the Client's financial circumstances, among others. The exact fee to be paid by the Client will be clearly stated in the wealth management agreement signed by the Client and the firm.

Generally, the wealth management fee will be deducted from the Client's account held with a non-affiliated, qualified custodian. The qualified custodian will provide the Client with an account statement at least quarterly. This statement will detail all account activity, including any fees deducted from the account(s).

MTAG will either invoice the client directly for payment of fees or fees will be deducted directly from the client's account through the qualified custodian holding the client's funds and securities. We will deduct our advisory fee only when you have given our firm written authorization permitting the fees to be paid



directly from your account. Further, the qualified custodian will deliver an account statement to you at least quarterly. These account statements will show all disbursements from your account.

At the inception of services, the first pay period's fees will be calculated on a pro-rata basis. The wealth management agreement between the Client and MTAG will continue in effect until either party terminates the wealth management agreement in accordance with the terms of the wealth management agreement. MTAG's annual fee will be pro-rated through the date of termination and any pre-paid, unearned fees will be promptly refunded to the Client.

#### **Pension Consulting Services Fees**

The fees and compensation charged by MTAG is negotiated independently with each Plan Sponsor in order to consider the varying, unique characteristics or requirements of each plan. Primary determinants of the negotiated fee may include but are not limited to the:

- Amount of plan assets,
- Number of employees / participants,
- Number of plan sponsor locations, and
- Special plan sponsor considerations or requirements.

Delivery of compensation or fees to MTAG is dependent upon on the invoicing or fee assessment frequency (monthly, quarterly) and policies ("arrears" or "in advance") of the Plan Provider/Platform utilized by the Plan Sponsor. The exact fee and fee payment method will be clearly listed in the pension consulting agreement signed by the client and the MTAG.

Either party to the advisory agreement may terminate the agreement upon 30-days' written notice to the other party. The fees will be prorated for the quarter in which the termination notice is given, and any unearned fees will be refunded to the client.

#### **Additional Information About Fees and Expenses**

*Billing on Cash Positions:* The firm treats cash and cash equivalents as an asset class. Accordingly, unless otherwise agreed in writing, all cash and cash equivalent positions (e.g., money market funds, etc.) are included as part of assets under management for purposes of calculating the firm's advisory fee. At any specific point in time, depending upon perceived or anticipated market conditions/events (there being no guarantee that such anticipated market conditions/events will occur), the firm may maintain cash and/or cash equivalent positions for defensive, liquidity, or other purposes. While assets are maintained in cash or cash equivalents, such amounts could miss market advances and, depending upon current yields, at any point in time, the firm's advisory fee could exceed the interest paid by the client's cash or cash equivalent positions.

*Periods of Portfolio Inactivity:* The firm has a fiduciary duty to provide services consistent with the client's best interest. As part of its investment advisory services, the firm will review client portfolios on an ongoing basis to determine if any changes are necessary based upon various factors, including but not limited to investment performance, fund manager tenure, style drift, account additions/withdrawals, the client's financial circumstances, and changes in the client's investment objectives. Based upon these and other factors, there may be extended periods of time when the firm determines that changes to a client's portfolio are neither necessary nor prudent. Notwithstanding, unless otherwise agreed in writing, the

firm's annual investment advisory fee will continue to apply during these periods, and there can be no assurance that investment decisions made by the firm will be profitable or equal any specific performance level(s).

Our annual fee is exclusive of, and in addition to, brokerage commissions, transaction fees, and other related costs and expenses. You are responsible for brokerage costs incurred. However, MTAG will not receive any portion of the commissions, fees, and costs. Please see Item 12 – Brokerage Practices for further information on brokerage and transaction costs.

As described above, the fees are charged as described and are not based on a share of capital gains of the funds of any advisory Client.

All fees paid to MTAG for investment advisory services are separate and distinct from the fees and expenses charged to shareholders by mutual funds or exchange traded funds. These fees and expenses are described in each fund's prospectus. These fees generally include a management fee, other fund expenses, and a possible distribution fee. If the fund also imposes sales charges, you may pay an initial or deferred sales charge.

A Client could invest in a mutual fund directly, without the services of MTAG. In which case, the Client would not receive the services provided by MTAG, which are designed, among other things, to assist the Client in determining which mutual fund or funds are most appropriate to their financial condition and objectives. Accordingly, Clients should review the fees charged by the funds and the fees charged by MTAG to fully understand the total amount of fees charged and to evaluate the cost of advisory services being provided.

We do not represent, warrant, or imply that the services or methods of analysis employed by us can or will predict future results, successfully identify market tops or bottoms, or insulate you from losses due to market corrections or declines.

#### **Item 6 - Performance-Based Fees and Sharing of Capital Gains**

Fees are not based on a share of the capital gains or capital appreciation of managed securities.

#### **Item 7 - Types of Clients**

MTAG generally provides investment advice to individuals and high net-worth individuals.

Client relationships vary in scope and length of service.

#### **Account Minimums**

MTAG does not impose an account minimum on its clients.

#### **Item 8 - Methods of Analysis, Strategies and Risks**

In the course of our management process and as appropriate on a case by case basis, we will employ some or all of the following methods of analysis. For a description of the risks related to each particular method of analysis, see the information following each analysis method description.

##### *Fundamental Analysis*

Fundamental analysis is generally considered the opposite approach to technical analysis. Fundamental analysis involves the attempt to identify the intrinsic value (i.e. the actual, real value) of an investment instrument by examining any related economic, financial, and other quantitative/qualitative factors relevant to that instrument. Fundamental analysis can take into account anything that may impact the underlying value of the instrument. Examples of such things may include large-scale economic issues such as the overall condition or current cycle of the economy, industry-specific or sector-specific conditions, etc. Other company/issuer-specific factors may also be taken into consideration such as the company's/issuer's current financial condition, management experience and capabilities, legal/regulatory matters, the overall type and volume of current and expected business, etc.

One of the goals of fundamental analysis is to attempt to derive a value that can be compared to the current market price for a particular financial instrument in hopes of determining whether the instrument is overpriced (time to sell) or underpriced (time to buy).

Key risk(s): Economic Risk, Financial Risk, Inflation Risk, and Interest Rate Risk.

Investing in securities or other investment products involves the risk of loss and you should be prepared to bear such losses.

#### Investment Strategies

In the course of our management process and as appropriate on a case by case basis, we will employ any of the following investment strategies. For a description of the risks related to each particular investment strategy, see the information following each strategy description. The codes used below relate to risks described further below in this section.

#### **Long-Term Purchases**

Long-term purchases generally involve the acquisition of an investment instrument and holding it for a period of at least one year.

Key risk(s): Capital Risk, Economic Risk, Financial Risk, and Inflation Risk.

#### **Short-Term Purchases**

Short-term purchases generally involve the acquisition of an investment instrument and holding it for a period of not more than one year.

Key risk(s): Capital Risk, Economic Risk, Financial Risk, and Inflation Risk.

#### **Risk Disclosures**

##### Capital Risk

Capital risk is one of the most basic, fundamental risks of investing; it is the risk that you may lose 100 percent of your money. All investments carry some form of risk and the loss of capital is generally a risk for any investment instrument.

##### Credit Risk

Credit risk can be a factor in situations where an investment's performance relies on a borrower's repayment of borrowed funds. With credit risk, an investor can experience a loss or unfavorable performance if a borrower does not repay the borrowed funds as expected or required. Investment holdings that involve forms of indebtedness (i.e. borrowed funds) are subject to credit risk.

### Currency Risk

Fluctuations in the value of the currency in which your investment is denominated may affect the value of your investment and thus, your investment may be worth more or less in the future. All currency is subject to swings in valuation and thus, regardless of the currency denomination of any particular investment you own, currency risk is a realistic risk measure. That said, currency risk is generally a much larger factor for investment instruments denominated in currencies other than the most widely used currencies (U.S. dollar, British pound, Euro, Japanese yen, etc.).

### Economic Risk

The prevailing economic environment is important to the health of all businesses. Some companies, however, are more sensitive to changes in the domestic or global economy than others. These types of companies are often referred to as cyclical businesses. Countries in which a large portion of businesses are in cyclical industries are thus also very economically sensitive and carry a higher amount of economic risk. If an investment is issued by a party located in a country that experiences wide swings from an economic standpoint or in situations where certain elements of an investment instrument are hinged on dealings in such countries, the investment instrument will generally be subject to a higher level of economic risk.

### Financial Risk

Financial risk is represented by internal disruptions within an investment or the issuer of an investment that can lead to unfavorable performance of the investment. Examples of financial risk can be found in cases like Enron or many of the dot com companies that were caught up in a period of extraordinary market valuations that were not based on solid financial footings of the companies.

### Higher Trading Costs

For any investment instrument or strategy that involves active or frequent trading, you may experience larger than usual transaction-related costs. Higher transaction-related costs can negatively affect overall investment performance.

### Inflation Risk

Inflation risk involves the concern that in the future, your investment or proceeds from your investment will not be worth what they are today. Throughout time, the prices of resources and end-user products generally increase and thus, the same general goods and products today will likely be more expensive in the future. The longer an investment is held, the greater the chance that the proceeds from that investment will be worth less in the future than what they are today. Said another way, a dollar tomorrow will likely get you less than what it can today.

### Interest Rate Risk

Certain investments involve the payment of a fixed or variable rate of interest to the investment holder. Once an investor has acquired the rights to an investment that pays a particular rate (fixed or variable) of interest, changes in overall interest rates in the market will affect the value of the interest-paying investment(s) they hold. In general, changes in prevailing interest rates in the market will have an inverse relationship to the value of existing, interest paying investments. In other words, as interest rates move up, the value of an instrument paying a particular rate (fixed or variable) of interest will go down. The reverse is generally true as well.

### Legal/Regulatory Risk

Certain investments or the issuers of investments may be affected by changes in state or federal laws or in the prevailing regulatory framework under which the investment instrument or its issuer is

regulated. Changes in the regulatory environment or tax laws can affect the performance of certain investments or issuers of those investments and thus, can have a negative impact on the overall performance of such investments.

#### Liquidity Risk

Certain assets may not be readily converted into cash or may have a very limited market in which they trade. Thus, you may experience the risk that your investment or assets within your investment may not be able to be liquidated quickly, thus, extending the period of time by which you may receive the proceeds from your investment. Liquidity risk can also result in unfavorable pricing when exiting (i.e. not being able to quickly get out of an investment before the price drops significantly) a particular investment and therefore, can have a negative impact on investment returns.

#### Market Risk

The market value of an investment will fluctuate as a result of the occurrence of the natural economic forces of supply and demand on that investment, its particular industry or sector, or the market as a whole. Market risk may affect a single issuer, industry or sector of the economy or may affect the market as a whole. Market risk can affect any investment instrument or the underlying assets or other instruments held by or traded within that investment instrument.

#### Operational Risk

Operational risk can be experienced when an issuer of an investment product is unable to carry out the business it has planned to execute. Operational risk can be experienced as a result of human failure, operational inefficiencies, system failures, or the failure of other processes critical to the business operations of the issuer or counter party to the investment.

#### Past Performance

Charting and technical analysis are often used interchangeably. Technical analysis generally attempts to forecast an investment's future potential by analyzing its past performance and other related statistics. In particular, technical analysis often times involves an evaluation of historical pricing and trading volume of a particular security for the purpose of forecasting where future price and volume figures may go. As with any investment analysis method, technical analysis runs the risk of not knowing the future and thus, investors should realize that even the most diligent and thorough technical analysis cannot predict or guarantee the future performance of any particular investment instrument or issuer thereof.

#### Strategy Risk

There is no guarantee that the investment strategies discussed herein will work under all market conditions and each investor should evaluate his/her ability to maintain any investment he/she is considering in light of his/her own investment time horizon. Investments are subject to risk, including possible loss of principal.

There is no single type of investment instrument that we predominantly recommend, however, please be mindful that all investments carry some form and degree of risk. Certain types of investments carry greater types and levels of risk than others and you should make sure that you fully understand, not only the investment product itself, but also the attendant risk factors associated with such products.

#### Cybersecurity Risks

Our firm and our 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 cyber-attacks and hacking by other

computer users, and to avoid the resulting damage and disruption of hardware and software systems, loss or corruption of data, and/or misappropriation of confidential information. In general, cyber-attacks are deliberate; however, unintentional events may have similar effects. Cyber-attacks may cause losses to clients by interfering with the processing of transactions, affecting the ability to calculate net asset value or impeding or sabotaging trading. Clients may also incur substantial costs as the result of a cybersecurity breach, including 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, and the dissemination of confidential and proprietary information. Any such breach could expose our firm to civil liability as well as regulatory inquiry and/or action. In addition, clients could be exposed to additional losses as a result of unauthorized use of their personal information. While our firm has established a business continuity plan and systems designed to prevent cyber-attacks, there are inherent limitations in such plans and systems, including the possibility that certain risks have not been identified. Similar types of cyber security risks are also present for issuers of securities, investment companies and other investment advisers in which we invest, which could result in material adverse consequences for such entities and may cause a client's investment in such entities to lose value.

#### *Pandemic Risk*

Large-scale outbreaks of infectious disease can greatly increase morbidity and mortality over a wide geographic area, crossing international boundaries, and causing significant economic, social, and political disruption. It is difficult to predict the long-term impact of such events because they are dependent on a variety of factors including the global response of regulators and governments to address and mitigate the worldwide effects of such events. Workforce reductions, travel restrictions, governmental responses and policies and macroeconomic factors will negatively impact investment returns.

#### *Cryptocurrency Risk*

Cryptocurrency (e.g., bitcoin and ether), often referred to as “virtual currency”, “digital currency,” or “digital assets,” is designed to act as a medium of exchange. Cryptocurrency is an emerging asset class. There are thousands of cryptocurrencies, the most well-known of which is bitcoin. Certain of the firm’s clients may have exposure to bitcoin or another cryptocurrency, directly or indirectly through an investment such as an ETF or other investment vehicles. Cryptocurrency operates without central authority or banks and is not backed by any government. Cryptocurrencies may experience very high volatility and related investment vehicles may be affected by such volatility. As a result of holding cryptocurrency, certain of the firm’s clients may also trade at a significant premium or discount to NAV. Cryptocurrency is also not legal tender. Federal, state or foreign governments may restrict the use and exchange of cryptocurrency, and regulation in the U.S. is still developing. The market price of many cryptocurrencies, including bitcoin, has been subject to extreme fluctuations. If cryptocurrency markets continue to be subject to sharp fluctuations, investors may experience losses if the value of the client’s investments decline. Similar to fiat currencies (i.e., a currency that is backed by a central bank or a national, supra-national or quasi-national organization), cryptocurrencies are susceptible to theft, loss and destruction. Cryptocurrency exchanges and other trading venues on which cryptocurrencies trade are relatively new and, in most cases, largely unregulated and may therefore be more exposed to fraud and failure than established, regulated exchanges for securities, derivatives and other currencies. The SEC has issued a public report stating U.S. federal securities laws require treating some digital assets as securities.

Cryptocurrency exchanges may stop operating or permanently shut down due to fraud, technical glitches, hackers or malware. Due to relatively recent launches, most cryptocurrencies have a limited trading history, making it difficult for investors to evaluate investments. Generally, cryptocurrency transactions are irreversible such that an improper transfer can only be undone by the receiver of the cryptocurrency agreeing to return the cryptocurrency to the original sender. Digital assets are highly dependent on their developers and there is no guarantee that development will continue or that developers will not abandon

a project with little or no notice. Third parties may assert intellectual property claims relating to the holding and transfer of digital assets, including cryptocurrencies, and their source code. Any threatened action that reduces confidence in a network's long-term ability to hold and transfer cryptocurrency may affect investments in cryptocurrencies.

Many significant aspects of the U.S. federal income tax treatment of investments in cryptocurrency are uncertain and an investment in cryptocurrency may produce income that is not treated as qualifying income for purposes of the income test applicable to regulated investment companies. Certain cryptocurrency investments may be treated as a grantor trust for U.S. federal income tax purposes, and an investment by the firm's clients in such a vehicle will generally be treated as a direct investment in cryptocurrency for tax purposes and "flow-through" to the underlying investors.

#### **Item 9 - Disciplinary Information**

Registered investment advisers are required to disclose all material facts regarding any legal or disciplinary events that would be material to your evaluation of MTAG or the integrity of MTAG's management personnel. MTAG has no information to disclose applicable to this Item.

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

MTAG is not registered as a securities broker-dealer, or a futures commission merchant, commodity pool operator or commodity trading advisor.

MTAG does not have arrangements that are material to its advisory or its clients with a related person who is a broker-dealer, investment company, other investment advisor, financial planning firm, commodity pool operator, commodity trading adviser or futures commission merchant, banking or thrift institution, accounting firm, law firm, insurance company or agency, pension consultant, real estate broker or dealer, or an entity that creates or packages limited partnerships.

#### **Item 11 - Code of Ethics**

MTAG or its related person does not recommend to client, or buy or sell for client accounts, securities in which it or a related person has a material financial interest. From time to time, MTAG representatives do not purchase securities for their personal accounts that they also recommend to clients, or buy for clients. At no time, however, will our firm or any related party receive preferential treatment over our clients.

We have adopted a Code of Ethics that establishes policies for ethical conduct for all our personnel. Our firm accepts the obligation not only to comply with all applicable laws and regulations, but also to act in an ethical and professionally responsible manner in all professional services and activities.

We periodically review and amend our Code of Ethics to ensure that it remains current, and we require all firm access persons to attest to their understanding of, and adherence to, the Code of Ethics at least annually. Our firm will provide a copy of its Code of Ethics to any client, or prospective client, upon request.

#### **Item 12 – Brokerage Practices**

MTAG recommends and request clients to implement trades and maintain custody of assets through TD Ameritrade Institutional, a division of TD Ameritrade, Inc. ("TD Ameritrade"), and National Financial Services LLC/Fidelity Brokerage Services LLC (together with all affiliates, "Fidelity") These firms are independent and unaffiliated SEC-registered broker-dealers and members of the Financial Industry Regulatory Authority ("FINRA") and the Securities Investor Protection Corporation ("SIPC"). These firms



offer us services which include custody of securities, trade execution, clearance, and settlement of transactions.

*Research and Other Soft Dollar Benefits received from TD Ameritrade*

There is no direct link between MTAG's use of TD Ameritrade and the investment advice it gives to its clients, although MTAG receives economic benefits through its participation in the program that are typically not available to TD Ameritrade retail investors.

These benefits include the following products and services (provided without cost or at a discount): receipt of duplicate client statements and confirmations; research related products and tools; consulting services; access to a trading desk serving MTAG participants; access to block trading (which provides the ability to aggregate securities transactions for execution and then allocate the appropriate shares to client accounts); the ability to have advisory fees deducted directly from client accounts; access to an electronic communications network for client order entry and account information; access to mutual funds with no transaction fees and to certain institutional money managers; and discounts on compliance, marketing, research, technology, and practice management products or services provided to MTAG by third party vendors. TD Ameritrade may also have paid for business consulting and professional services received by MTAG's related persons.

Some of the products and services made available by TD Ameritrade through the program may benefit MTAG but may not benefit its client accounts. These products or services may assist MTAG in managing and administering client accounts, including accounts not maintained at TD Ameritrade. Other services made available by TD Ameritrade are intended to help MTAG manage and further develop its business enterprise. The benefits received by MTAG or its personnel through participation in the program do not depend on the amount of brokerage transactions directed to TD Ameritrade. As part of its fiduciary duties to clients, MTAG endeavors at all times to put the interests of its clients first. Clients should be aware, however, that the receipt of economic benefits by MTAG or its related persons in and of itself creates a potential conflict of interest and may indirectly influence the MTAG's choice of TD Ameritrade for custody and brokerage services.

*Research and Other Soft Dollar Benefits received from Fidelity*

Fidelity's brokerage services provide access to a broad range of investment products, execution of securities transactions, and custody of client assets. The investment products available through Fidelity include some to which we might not otherwise have access or that would require a significantly higher minimum initial investment by our clients. Fidelity's services described in this paragraph generally benefit you and your account.

Services that May Not Directly Benefit You: Fidelity also makes available to us other products and services that benefit us but may not directly benefit you or your account. These products and services assist us in managing and administering our clients' accounts. They include limited scope investment research. We may use this research to service all or some substantial number of our clients' accounts, including accounts not maintained at Fidelity. In addition to investment research, Fidelity also makes available software and other technology that:

- provide access to client account data (such as duplicate trade confirmations and account statements);
- facilitate trade execution;
- provide pricing and other market data;
- facilitate payment of our fees from our clients' accounts; and



- assist with back-office functions, recordkeeping, and client reporting.

#### Brokerage for Client Referrals

We do not receive client referrals from broker-dealers in exchange for cash or other compensation, such as brokerage services or research.

#### Best Execution

Best execution means the most favorable terms for a transaction based on all relevant factors, including those listed in the previous section. We recognize our obligation in seeking "best execution" for our clients. It is our belief that the determinative factor is not always the lowest possible cost, but whether the selected service provider's transactions represent the best "qualitative" execution, while taking into consideration the full range of services provided. Therefore, we seek services involving competitive rates, but it may not necessarily correlate into the lowest possible rate for each transaction.

#### Directed Brokerage

We do not allow directed brokerage. Our clients will be required to use TD Ameritrade or Fidelity.

#### Aggregating Securities Transactions

Transactions for each of our clients will generally be effected independently, unless we decide to purchase or sell the same securities for several clients at approximately the same time, often termed "aggregated" or "batched" orders. We do not receive any additional compensation, or remuneration, as a result of aggregated transactions. Should we aggregate orders, transactions will be averaged as to price, and allocated among each client on a prorated basis on any given day, and we will attempt to do so in accordance with applicable industry rules. Client accounts where trade aggregation is not allowed, or infeasible, may be assessed higher transaction costs than those that are batched.

### **Item 13 - Review of Accounts**

For those clients to whom MTAG provides investment management supervisory services, account reviews will be conducted on a periodic basis by the Associated Person assigned to the account. All on-going engagement clients are advised that it remains their responsibility to advise MTAG in writing of any changes in the client's investment objectives and/or financial situation, or if the client wishes to impose any reasonable restrictions on MTAG's discretionary management services. All clients (in person or electronically) are encouraged to review investment objectives, and account performance, with MTAG on an annual basis.

MTAG may conduct account reviews on an other than periodic basis upon the occurrence of a triggering event, such as a market correction, large deposits or withdrawals from an account, substantial changes in the value of a client's portfolio, change in the client's investment objectives, and by client request.

Those clients to whom MTAG provides limited scope planning services will receive reports summarizing MTAG analysis and conclusions, as requested by the client, or otherwise agreed to in writing. However, Clients should note that a financial plan is a snapshot in time and no ongoing reviews are conducted, unless you have engaged us for investment management or wealth management services. We recommend a plan review at least annually.

Clients will receive statements directly from their account custodian(s) on at least a quarterly basis. MTAG provides performance reports for use during client reviews.

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

No compensation is paid or received for referrals. MTAG does not accept referral fees or any form of remuneration from other professionals when a prospect or client is referred to them. We will refer clients to other service professionals, if requested or deemed necessary, based on the specific needs of the client. We may, in the normal course of business, receive a referral from a client or outside professional. MTAG has no formal arrangement to receive referrals from these outside professionals. There is no compensation paid for doing so.

#### **Item 15 - Custody**

MTAG is considered to have custody over a client's account due to the ability to directly debit fees from the client's account.

The client's funds and securities will be maintained by an unaffiliated, qualified custodian. Your assets are not held by our firm or any of our associates. We have no authority to make withdrawals or transfers from a client's account except for our investment management fees. Payment for management fees will be made by the qualified custodian holding the client's funds and securities, provided the client provides written authorization permitting the fees to be paid directly from the client's account. In keeping with our policy of not having physical custody of our client funds or securities, we use the following safeguards:

- Restrict our firm and associates from acting as trustee for or having full power of attorney over a client account.
- Prohibit any authority to withdraw securities or cash assets from a client account, other than for payment of our advisory fees. These actions will be accomplished through a qualified custodian maintaining your assets (i.e. your custodian), pursuant to a written agreement and following your approval.
- Do not accept or forward client securities (i.e. stock certificates) erroneously delivered to our firm.
- We do not require the prepayment of over \$1,200, six or more months in advance.
- Will not authorize any associate to have knowledge of a client's account access information (i.e., online 401 (K), brokerage or bank accounts), even for the convenience or accommodation of the client or their legal agent.

#### **Item 16 - Investment Discretion**

We provide our investment management services under a discretionary authority. This discretionary authority allows our firm to implement investment decisions, such as the purchase or sale of a security on behalf of your account, without requiring your authorization for each transaction, in order to meet your stated account objectives. The custodian specifically limits the firm's authority in the account to the placement of trade orders, and the deduction of advisory fees.

#### **Item 17 - Voting Client Securities**

Our firm does not vote proxies on your behalf. The client will have the exclusive responsibility for directing the manner in which proxies, solicited by issuers of securities that are beneficially owned by the client, shall be voted. Because we do not accept the authority to vote clients' proxies, we do not answer questions, or offer guidance, on how to vote proxies. The client should contact the issuer or the client's own legal counsel about any proxy the client has received.

Further, we will have no power, authority, responsibility, or obligation to take any action with regard to any claim, or potential claim, in any bankruptcy proceeding, class action securities litigation, or other litigation or proceeding relating to securities held at any time in a client account, including without limitation to file proofs of claim, or other documents related to such proceeding, or to investigate, initiate, supervise, or monitor class action, or other litigation involving client assets. Moreover, we will not offer or provide guidance on these matters; clients should contact the issuer or their legal counsel.

#### **Item 18 - Financial Information**

MTAG does not have any financial impairment that will preclude the firm from meeting contractual commitments to clients. A balance sheet is not required to be provided because the firm does not serve as a custodian for client funds outside of deducting its fees or securities, and does not require prepayment of fees more than \$1,200 six months or more in advance. MTAG has never been the subject of a bankruptcy proceeding.

#### **Item 19 - Requirements for State-Registered Advisers**

This section is not applicable because our firm is SEC registered.