

## Part 2A of Form ADV: Firm Brochure



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This brochure provides information about the qualifications and business practices of Horter Investment Management, LLC ("Horter," "we," or the "Firm"). If you have any questions about the contents of this brochure, please contact us at 513-984-9933 or [compliance@him-ria.com](mailto:compliance@him-ria.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.

Registration with the SEC or with any state securities authority does not imply a certain level of skill or training.

Additional information about Horter is also available on the SEC's website at [www.adviserinfo.sec.gov](http://www.adviserinfo.sec.gov). You can search this site by a unique identifying number, known as a CRD number. Our firm's CRD number is 119880.

## Item 2 Material Changes

This Firm Brochure, dated **09/15/2025**, provides you with a summary of Horter's advisory services and fees, professionals, certain business practices and policies, as well as actual or potential conflicts of interest, among other things. This Item is used to provide our clients with a summary of new and/or updated information; we will inform them of the revision(s) based on the nature of the information as follows.

1. Annual Update: We are required to update certain information at least annually, within 90 days of our firm's fiscal year end (FYE) of **December 31**. We will provide you with either a summary of the revised information with an offer to deliver the full revised Brochure within 120 days of our FYE or we will provide you with our revised Brochure that will include a summary of those changes in this Item.
2. Material Changes: Should a material change in our operations occur, depending on its nature we will promptly communicate this change to clients (and it will be summarized in this Item). "Material changes" requiring prompt notification will include changes of ownership or control; location; disciplinary proceedings; significant changes to our advisory services or advisory affiliates – any information that is critical to a client's full understanding of who we are, how to find us, and how we do business.

The following summarizes new or revised disclosures based on information previously provided in our Firm Brochure dated **09/15/2025**:

- **Item 5. Fees and Compensation.** Item 5 was amended in our last amendment (9/15) to incorporate changes in the Adviser's fee-based financial planning fee range and also added an approval requirement for fee-based plans exceeding \$3,000.
- **Item 8. Methods of Analysis, Investment Strategies, and Risk of Loss.** Item 8 was amended to provide details on three new models offered to high net worth ("HNW") clients of Horter.
- **Item 14. Client Referrals and Other Compensation.** Item 14 was amended to disclose the firm's ability to provide compensation to existing clients in exchange for client referrals.

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## Item 4      **Advisory Business**

### **A. The Company**

Horter Investment Management LLC (“HIM”, “we” or “Firm”) is a SEC-registered investment adviser with its principal place of business located in Cincinnati, Ohio. Drew Horter founded the business in 1991 as Horter Asset Management. In 2006 Mr. Horter modified its name with the creation of Horter Investment Management, LLC.

Listed below are the Firm's principal shareholders (i.e. those individuals and/or entities controlling 25% or more of this company):

- Drew K Horter, Owner

### **B. Advisory Services**

The Firm provides continuous and regular investment advice to its clients based on the individual needs of each client. During our data-gathering process, we determine the client's individual goals and objectives, time horizon, risk tolerance, liquidity needs, net worth, total income and other various suitability factors. As appropriate, we also review and discuss a client's prior investment history, as well as family composition and background. Based on the information collected, we recommend an investment portfolio appropriate for the client. Horter Investment Advisor Representatives (“IARs” or “advisor”) meet with clients at least annually and, if needed, on a more frequent basis, to review changes to the client's financial condition, including their goals and objectives, time horizon and risk profile, as well as to review client accounts.

We manage these advisory accounts on a discretionary or non-discretionary basis. Investment advice is guided by the client's stated objectives (i.e., maximum capital appreciation, growth, income, or growth and income), as well as tax considerations.

The Firm has formed an Investment Committee which consists of people with investment knowledge and experience. The Committee has overall responsibility for the selection of new investment opportunities as well as evaluating the performance of the current investment portfolio. This includes the ongoing due diligence of approved investments and the initial due diligence of potential new investments. The Committee is also responsible for creating and maintaining Multi Manager Portfolios, or Model Portfolios, which are groupings of two or more third party manager strategies and/or mutual funds. The advisor is ultimately responsible for meeting with clients and recommending investment portfolios that are consistent with their client's goals and objectives, risk profile, time horizon and other suitability factors.

## **Portfolio Management Programs**

Based on the information you provide, the advisor may recommend:

1. Multiple investment methodologies or strategies that the Firm creates, and the advisor deems to be consistent with your investment/financial objectives. This is known as a Multi Manager Portfolio or Model Portfolio.
2. A single investment methodology or strategy that the advisor deems to be consistent with your investment/financial objectives. This is known as a Single Manager Portfolio.
3. A customized mix of multiple investment strategies and/or securities that the Advisor deems to be consistent with your investment/financial objectives. This is known as a Custom Portfolio.

Multi-manager portfolios offered by the firm include both tactical portfolios and passive portfolios.

Tactical portfolios are actively traded models which include allocations to tactical institutional mutual funds and ETF's, including proprietary tactical mutual funds, as well as to tactical Third-Party Money Managers. All Third-Party Money Managers that we recommend to clients must either be registered as investment advisers with the Securities and Exchange Commission or with the appropriate state authority(ies). We will continuously monitor the performance of any accounts managed by the Third-Party Money Managers and will assume discretionary authority to hire or fire the Third-Party Money Managers where such action is deemed appropriate and in the best interest of the client.

Clients should refer to the selected Third-Party Money Manager's Firm Brochure, if available, or other disclosure document(s) for a full description of the services offered and the investment philosophy employed.

Passive portfolios consist primarily of institutional mutual funds and ETF's that are not actively traded ("Buy and Hold").

Multi Manager Portfolios include allocations to TFA Funds. The TFA Funds may also be available as a single investment strategy or in a Custom Portfolio. The Firm may use its discretion to invest clients directly in TFA Funds, or models with allocations to TFA Funds. The Firm and Drew K. Horter have a financial incentive to recommend TFA Funds to you and to utilize and favor these funds in the Firm's investment strategies. Clients may elect not to invest in TFA Funds, not to be invested in Models or Custom Portfolios that utilize TFA Funds, and the Client may opt out of an allocation to these funds or models that utilize TFA Funds at any time. Please see additional disclosures related to TFA and certain conflicts of interest, in Items 5, 8, 10 and 11 of this Form ADV.

## **Alternative Investments**

We may recommend certain investment strategies that provide non-traditional investment opportunities commonly known as alternative investment strategies. Such strategies may include REITs, hedge funds, or private equity or other types of limited partnerships.

## **Nationwide Advisory Solutions**

Nationwide Advisory Solutions is a No-Load Fee-based RIA Variable Annuity whereby certain Third-Party Money Manager strategies associated with Horter are accessible to Horter clients based on the relevant facts and circumstances of the client.

There are no surrender charges, and any policy can be liquidated at any time.

The annual contract charges assessed by Nationwide, regardless of the investment amount, are \$20/month.

Variable Annuity clients pay advisory fees according to the following fee schedule:

- 1.99% Annual Advisory Fee, payable at .4975% per quarter and assessed in arrears based on the average daily balance of assets under management for the previous quarter.

## **Retirement Plan Asset Management Services**

We offer investment management services to tax-qualified retirement plans, hereafter referred to as "Plan Clients". Most Plan Clients are defined contribution plans that allow participants to direct the investment of their plan accounts among investment options selected by a responsible fiduciary of the Plan Client ("Responsible Fiduciary"). Other Plan Clients do not offer participant investment direction, in which case the Responsible Fiduciary selects the Plan Client's investment funds. Plan Clients are generally subject to the provisions of the Employee Retirement Income Security Act of 1974, as amended ("ERISA"). All Plan Client assets are held by Schwab, Axos Advisor Services or Nationwide Advisory Solutions as custodians. Under no circumstances do we hold custody of Plan Client assets.

If the Plan Client's responsible fiduciary selects us to offer actively managed investment options, we make available the Third-Party Money Manager programs approved for use in tax-qualified retirement plans. Please note that not all Third-Party Money Managers or strategies utilized by Horter Investment Management are approved for use under this section. In some circumstances, Horter has delegated trading authority to the Third-Party Money Manager. In other circumstances, Horter will place trades according to trading instructions received from the Third-Party Money Manager.

**Retirement Rollovers Conflicts of Interest:** If we provide investment advice to a retirement plan account or individual retirement account, we are fiduciaries within the meaning of Title I of the Employee Retirement Income Security Act and/or the Internal Revenue Code, as applicable, which are laws governing retirement accounts. The way we make money creates some conflicts with your interests, so we operate under a special rule that requires us to act in your best interest and not put our interest ahead of yours.

Under this special rule's provisions, we must:

- Meet a professional standard of care when making investment recommendations (give prudent advice).
- Never put our financial interests ahead of yours when making recommendations (give loyal advice).

- Avoid misleading statements about conflicts of interest, fees, and investments.
- Follow policies and procedures designed to ensure that we give advice that is in your best interest.
- Charge no more than is reasonable for our services; and
- Give you basic information about conflicts of interest.

A client or prospective client leaving an employer typically has four options regarding an existing retirement plan (and may engage in a combination of these options): (i) leave the money in the former employer's plan, if permitted, (ii) roll over the assets to the new employer's plan, if one is available and rollovers are permitted, (iii) roll over to an Individual Retirement Account ("IRA"), or (iv) cash out the account value (which could, depending upon the client's age, result in adverse tax consequences). In the event Horter Investment Management recommends that a client roll over their retirement plan assets into an account to be managed by Horter, such a recommendation creates a conflict of interest if Horter will earn an advisory fee on the rolled over assets. When acting in such a capacity, Horter serves as a fiduciary under the Employee Retirement Income Security Act (ERISA).

There is a conflict of interest when a Horter Investment Management representative makes a recommendation that a participant roll over assets from a retirement account into a new or existing account or investment (e.g. rollover IRA) managed by Horter. The conflict of interest exists because Horter will receive compensation (e.g., management fees) if the money is rolled over, but it will not if the recommendation is not accepted.

No client is under any obligation to rollover retirement plan assets to an account managed by Horter Investment Management. Horter's Chief Compliance Officer remains available to address any questions that a client or prospective client may have regarding the potential for conflict of interest presented by such rollover recommendation.

The responsible fiduciary may also select various index funds as investment options.

## **Financial Planning Services**

We provide financial planning services. Financial planning is a comprehensive evaluation of a client's current and future financial state by using currently known variables to predict future cash flows, asset values and withdrawal plans. Through the financial planning process, all questions, information and analysis are considered as they impact and are impacted by the entire financial and life situation of the client. Clients electing this service receive a written report which provides the client with a detailed financial plan designed to assist the client achieve his or her financial goals and objectives.

In general, the financial plan can address any or all of the following areas:

- **PERSONAL:** We review family records, budgeting, personal liability, estate information and financial goals.
- **TAX & CASH FLOW:** We analyze the client's income tax and spending and planning for past, current and future years; then illustrate the impact of various investments on the client's current income tax and future tax liability.

- **INVESTMENTS:** We analyze investment alternatives and their effect on the client's portfolio.
- **INSURANCE:** We review existing policies to ensure proper coverage for life, health, disability and long-term care.
- **RETIREMENT:** We analyze current strategies and investment plans to help the client achieve his or her retirement goals.
- **DEATH & DISABILITY:** We review the client's cash needs at death, income needs of surviving dependents and estate planning.
- **ESTATE:** Working with an estate planning attorney, we assist the client in assessing and developing long-term strategies, including as appropriate, living trusts, wills, review estate tax, powers of attorney, asset protection plans, nursing homes, Medicaid and elder law.

We gather required information through in-depth personal interviews. Information gathered includes the client's current financial status, tax status, future goals, returns objectives and attitudes towards risk. We carefully review documents supplied by the client, including a questionnaire completed by the client, and prepare a written report. Should the client choose to implement the recommendations contained in the plan, we suggest the client work closely with his/her attorney, accountant, insurance agent, and/or financial advisor. Implementation of financial plan recommendations is entirely at the client's discretion.

Clients who implement the recommendations from their individual advisor should be aware that certain conflicts of interest may exist related to such recommendations. Your advisor may be an insurance producer related to Horter's insurance agency, Horter Financial Strategies, LLC, or may be related to an unaffiliated insurance agency for which they receive compensation for sales of insurance products; or may be a Registered Representative of a Broker Dealer for which they receive compensation for the sale of securities. It is important to review your advisor's ADV Part 2B Brochure to determine if any conflicts exist.

Typically, the financial plan is presented to the client within three months of the contract date, provided that all information needed to prepare the financial plan has been promptly provided.

Financial Planning recommendations are not limited to any specific product or service offered. All recommendations are of a generic nature.

## **Disclaimers**

We may provide limited tax and legal information as a consequence of providing investment advisory services to our clients. This information is general in nature, is not complete, and may not apply to your specific situation. It should not be construed as specific legal or tax advice. We make no warranties and are not responsible for your use of this information or for any errors or inaccuracies resulting from your use. Be sure to consult your tax and legal professionals for specific advice related to your situation. As disclosed in Item 10, certain Investment Adviser Representatives of Horter may be affiliated with a tax return solicitation company under common ownership and control with Horter. This entity is involved in the solicitation of tax preparation clients for third party unaffiliated tax preparers, including the provisioning of tax returns to such clients. Clients who participate in tax preparation with Horter's affiliate are under no obligation to be Clients of Horter.

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

Horter believes in providing customized investment advice to clients. Advisors may have their own investment and financial planning styles and may make investment recommendations that differ from the multi-manager portfolios offered by the firm ("Custom Portfolios"). Prior to making a recommendation to invest in a Custom Portfolio, the advisor will work with the client to understand their financial needs and risk tolerance. See Item 8 for material risks associated with Custom Portfolios.

The client may place reasonable restrictions on their account(s) by providing written instructions to the firm ("Client Instructions"). This includes which individual securities to buy or sell. You may place these restrictions in the form of limitations on a specific security or broad categories of securities. You may also choose to have your accounts managed in a non-discretionary manner ("Non-Managed Account").

### **D. Wrap Fee Program**

Horter Investment Management does not participate in wrap fee programs.

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

As of 12/31/2024, Horter was actively managing \$277,989,000 of client assets on a discretionary basis with no client assets managed on a non-discretionary basis for a total of \$277,989,000 in assets under management.

## **Item 5 Fees and Compensation**

### **A. Advisory Fees**

Our annual advisory fees for Investment Supervisory Services are assessed quarterly in arrears and are based upon a percentage of the average daily value of assets under management for the prior quarter.

Fees and services may be negotiable based on a number of factors such as client type, asset class, pre-existing relationship, complexity and account size, anticipated future additional assets; related accounts; portfolio style, account composition, reports and other special circumstances or requirements. Some clients pay higher or lower fees than other clients.

Discounts, not generally available to our advisory clients, may be offered to family members and friends of associated persons of our firm. Fees may only be increased by providing Client written notice thirty (30) days in advance.

#### **Advisory Fees in General**

Clients should note that similar advisory services may (or may not) be available from other registered (or unregistered) investment advisers for similar or lower fees.

#### **Annual Fee Schedule**

Advisory fees are generally determined based upon the following fee schedule below. However, as stated above, fees for certain strategies or accounts may fall outside of the

stated ranges or are negotiated. The specific Annual Fee Schedule is identified in the Schedule of Services & Fees between Horter and each client.

Portfolio Management Program	Annual Fee Schedule
Third-Party Money Manager Program*	1.99%
Tactical Institutional Mutual Funds*	1.99%
Nationwide Advisory Solutions*	1.99%
Retirement Plan Asset Management (Third-Party Money Managers) *	1.99%
Retirement Plan Asset Management (Indexed Funds)	0.50%
Alternative Investments	1.25%
Non-Discretionary Accounts	0.1% (\$50 minimum quarterly)
Portfolio Management Program	Annual Fee Schedule

#### **\*Description of Annual Fees**

As the Fee Schedule above indicates, the maximum Annual Fee charged is 1.99%. Our annual fee is comprised of an investment management fee, program administration fee, and financial professional compensation. Descriptions of the fee compositions are provided below. Fees are negotiable.

#### **Investment Management**

0.40% is paid to the Firm for providing the following services: Initial and ongoing manager / fund due diligence, asset allocation, model design and research on new prospective strategies, managers and funds. The portion of the clients advisory fee allocated to investment management may be less than 0.40% in agreements that are entered into at a negotiated rate.

In certain cases, a portion of this fee may be paid directly to Third-Party Money Managers. When TFA funds are allocated to your Account, Horter has agreed to waive this portion of the annual advisory fee proportional to the allocation of TFA in your account at the asset level. When TFA is included in a multi-manager model, this portion of the fee will be charged for all non-TFA assets in your account. As this fee is based on a maximum Annual Fee of 1.99%, the fee waiver for holding TFA Funds will be proportionately lower for clients with a discounted client fee. Clients should be aware that certain conflicts of interest exist relating to the use of TFA Funds.

#### **Program Administration**

0.35% on an annual basis and is paid to the Firm for providing the following services: Technology, trading, account rebalancing, program compliance, reporting, account servicing, billing, macro-economic research and general operations. This portion of the fee is

administrative in nature; is applicable to all accounts and is assessed regardless of the assets held in the account.

### **Financial Professional**

This portion of the Fee is paid to the Financial Professional(s) for providing investment advice (in the case of Horter advisors) or referring you to Horter (in the case of promoters or unaffiliated advisers). This portion of the fee will vary but typically ranges from 0.89% to 1.24%.

## **B. Payment of Fees**

Advisory fees are automatically debited from the client's account in accordance with the terms set forth in the Client Agreement.

## **C. Other Fees and Expenses**

In addition to the advisory fees described above, clients may be subject to other fees and expenses in connection with Horter's advisory services.

### **Custodian Expenses**

In addition to our advisory fees, clients are also responsible for the fees and expenses charged by custodians including, but not limited to, account maintenance fees and any trading fees or transaction charges that may be assessed for transactions in the client's account(s). Clients should refer to the custodian fee schedule provided at the account opening for a description of custodial fees that may apply to their account. Please refer to the "Brokerage Practices" section (Item 12) of this Form ADV for additional information.

### **Nationwide Fees**

Investment advisory clients who invest in a variable annuity with Nationwide Advisory Solutions are charged a monthly fee of \$20 per month, per contract, paid directly to Nationwide Advisory Solutions.

### **Mutual Fund & ETF Fees**

These fees and expenses are described in each fund's prospectus and typically include annual ongoing expenses and transaction fees paid when you buy or sell shares in a fund. These fees are separated and are in addition to the fees charged by Horter for its investment advisory services. The ongoing expenses of a fund are summarized by the expense ratio, which generally includes a management fee, other fund expenses, and a possible distribution (12b-1) fee. These expenses are paid for out of fund assets and not billed to investors directly. If the fund also imposes sales charges, a client may directly pay an initial or deferred sales charge when buying or selling the fund. A client could invest in a mutual fund directly, without our services. In that case, the client would not receive the services provided by our firm which are designed, among other things, to assist the client in determining which mutual fund or funds are most appropriate to each client's financial condition and objectives. Accordingly, the client should review both the fees charged by the funds and our fees to fully understand the total amount of fees to be paid by the client and to thereby evaluate the advisory services being provided. Typically, the fees associated with investment products are not paid directly or indirectly to Horter or its related persons,

however, it is important to be aware that some investment product fees associated with TFA Funds benefit certain related persons directly. **See below for fees associated with TFA funds and the conflict of interest that exists.**

### **Capital Gains and Surrender Fees**

As with any investment, a client may incur certain costs, such as capital gains taxes or surrender fees when selling or redeeming securities or other holdings to invest in the portfolio managed by the Firm. Such costs vary on a case-by-case basis. The Firm, advisor's or the Promoters of the Firm are required to discuss any such costs that may pertain to a specific client prior to the client investing any funds. The client should consider such costs before making any changes to their portfolio.

### **Grandfathering of Minimum Account Requirements**

Investment advisory clients are subject to Horter's minimum account requirements and advisory fees in effect at the time the client entered into the advisory relationship. Therefore, our firm's minimum account requirements will differ among clients.

### **ERISA Accounts**

Horter is deemed to be a fiduciary to advisory clients that are employee benefit plans or individual retirement accounts (IRAs) pursuant to the Employee Retirement Income and Securities Act ("ERISA"), and regulations under the Internal Revenue Code of 1986 (the "Code"), respectively. As such, our firm is subject to specific duties and obligations under ERISA and the Internal Revenue Code that include, among other things, restrictions concerning certain forms of compensation. To avoid engaging in prohibited transactions, Horter may only charge fees for investment advice about products for which our firm and/or our related persons do not receive any commissions or 12b-1 fees, or conversely, investment advice about products for which our firm and/or our related persons receive commissions or 12b-1 fees, however, only when such fees are used to offset Horter's advisory fees.

### **Financial Planning Fees**

Horter's Financial Planning fee may be charged either on an hourly or fixed fee basis. The Financial Planning fee is determined based on the nature of the services being provided and the complexity of each client's circumstances. All fees are agreed upon prior to entering into a contract with any client.

Hourly fees range from \$250 to \$600 per hour and are based on the complexity of the plan and the experience of the investment advisor representative preparing the plan. Although the length of time it will take to provide a Financial Plan will depend on each client's personal situation, we will provide an estimate for the total hours at the start of the advisory relationship. Fixed fees may be assessed at a fixed rate of up to \$5,000 per financial planning engagement, however, any fixed rate fee in excess of \$3,000 must be approved by the President and Chief Compliance Officer prior to being charged to a client.

The client is billed upon completion of the Financial Plan. Horter, in its discretion, may choose to waive all or a portion of the financial planning fee.

#### **D. Terminations and Pre-Paid Fees**

The firm does not charge fees in advance (pre-paid fees).

The Client Agreement may be canceled at any time, by either party, for any reason by notifying the other party in writing. When a client terminates their advisory agreement, Horter may charge pro-rated advisory fees, on or about the date of termination, calculated based on the number of days in the quarter for which investment supervisory services were provided.

#### **E. Additional Compensation and Conflicts of Interest**

##### **TFA Funds**

Horter utilizes the following proprietary funds: TFA Tactical Income Fund (I Shares -TFAZX), Tactical Growth Allocation Fund (I Shares – TFAFX), TFA Quantitative Fund (I Shares – TFAQX) and TFA AlphaGen Growth Fund (I Shares – TFAGX). Tactical Fund Advisors has contractually agreed to limit the expense ratio to 1.99% for TFAZX, TFAFX, TFAQX and TFAGX through April 30, 2025.

A portion of the investment product fees that you indirectly pay related to TFA Funds are paid to a related advisor, TFA, for the investment advisory services TFA provides to TFA Funds. TFA receives approximately 1.30% for its management of TFA Funds, which directly benefits TFA and Drew K. Horter. Therefore, Horter has a financial incentive to recommend TFA Funds to you and to utilize these funds in Horter's investment strategies. Moreover, TFA's fees related to these funds are proportional to the amount of assets invested in them. Therefore, since Horter and Drew K. Horter have a material financial interest and a financial incentive to recommend these funds to you and to utilize TFA Funds in its models, a conflict of interest exists. Horter will only invest client assets in these funds when appropriate for the client. Horter and its advisors must always act in the best interest of the client consistent with its fiduciary duties.

Clients may obtain more information about the fees and expenses that may apply due to investing in these funds by contacting Horter. Clients may also obtain more information by reviewing the relevant prospectus for the funds which are publicly available on the EDGAR Database on the SEC's website ([www.sec.gov](http://www.sec.gov)). You may also elect not to invest in the TFA Funds, not to be invested in strategies that utilize TFA Funds, and you can opt out of an allocation to TFA Funds at any time. You can also request information about other investment options available at Horter.

##### **Financial Planning Recommendations**

Clients who implement the recommendations they receive from their individual advisor should be aware that certain conflicts of interest may exist related to such recommendations. Your advisor may be an insurance producer related to Horter's insurance agency, Horter Financial Strategies, LLC, or related to an unaffiliated insurance agency for which they receive compensation for sales of insurance products; or may be a registered representative of a Broker Dealer for which they receive compensation for the sale of securities. It is important to review your advisor's ADV Part 2B Brochure Supplement to determine if any conflicts exist.

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

Performance-based fees are based on a share of capital gains on, or capital appreciation of, the client's assets. Performance fees may only be charged to qualified clients, as such term is defined under Rule 205-3 of the Advisers Act. Side-by-side management refers to the practice of managing accounts that are charged performance-based fees while at the same time managing accounts that are not charged performance-based fees.

Horter does not accept performance-based fees nor does it engage in side-by-side management.

## Item 7 Types of Clients

Horter provides advisory services to the following types of clients:

- Individuals (other than high net worth individuals), primarily aged 50 and over.
- High net worth individuals
- Trusts, estates
- Corporations or Other Businesses
- Pension and profit-sharing plans (other than plan participants)
- Insurance Companies

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

### A. Methods of Analysis and Investment Strategies

#### *Methods of Analysis*

We use the following methods of analysis in formulating our investment advice and/or managing client assets:

#### **Charting**

In this type of technical analysis, we review charts of market and security activity in an attempt to identify when the market is moving up or down and to predict how long the trend may last and when that trend might reverse.

#### **Mutual Fund and/or ETF Analysis**

We look at the experience and track record of the manager of the mutual fund or ETF in an attempt to determine if that manager has demonstrated an ability to invest over a period of time and in different economic conditions. We also look at the underlying assets in a mutual fund or ETF in an attempt to determine if there is significant overlap in the underlying investments held in other fund(s) in the client's portfolio. We also monitor the funds or ETFs in an attempt to determine if they are continuing to follow their stated investment strategy.

A risk of mutual fund and/or ETF analysis is that, as in all securities investments, past performance does not guarantee future results. A manager who has been successful may not be able to replicate that success in the future. In addition, as we do not control the underlying investments in a fund or ETF, managers of different funds held by the client may

purchase the same security, increasing the risk to the client if that security were to fall in value. There is also a risk that a manager may deviate from the stated investment mandate or strategy of the fund or ETF, which could make the holding(s) less suitable for the client's portfolio.

### **Third-Party Money Manager Analysis**

We examine the experience, expertise, investment philosophies, and past performance of independent third-party investment managers in an attempt to determine if that manager has demonstrated an ability to invest over a period of time and in different economic conditions. We monitor the manager's underlying holdings, strategies, concentrations and leverage as part of our overall periodic risk assessment.

A risk of investing with a third-party manager who has been successful in the past is that he/she may not be able to replicate that success in the future. In addition, as we do not control the underlying investments in a third-party manager's portfolio, there is also a risk that a manager may deviate from the stated investment mandate or strategy of the portfolio, making it a less suitable investment for our clients. Moreover, as we do not control the manager's daily business and compliance operations, we may be unaware of the lack of internal controls necessary to prevent business, regulatory or reputational deficiencies.

### ***Investment Strategies***

The advisor may recommend the use of third-party managers and/or institutional mutual funds in a Multi Manager Portfolio, or Model Portfolio, or as stand-alone investments. A Multi Manager Portfolio is a portfolio composed of two or more third party manager strategies and institutional mutual funds. The use of Multi Manager Portfolios is intended to smooth out volatility and returns over time through enhanced diversification of portfolio assets. The Investment Committee is responsible for creating and monitoring the performance of Multi Manager Portfolios. These portfolios are made available to the advisors for use in client accounts.

The advisor may otherwise recommend third party managers and institutional mutual funds based on the client's individual circumstances and needs. Custom Portfolios recommended by the advisor may perform better or worse than the Model Portfolios created by the Investment Committee.

### **TFA Funds**

Please see additional disclosures related to TFA Funds, including fees and the conflicts of interest that exist and are more fully described in Items 4, 5, 10 and 11 of this brochure.

### **TFA Tactical Income Fund**

The Fund seeks to provide high current income relative to the Fund's benchmark, with a secondary objective of capital preservation. The Fund's adviser, Tactical Fund Advisors, LLC (the "Adviser"), delegates the day-to-day management of the Fund's assets to multiple sub-advisers. The Adviser is responsible for the overall management of the Fund, overseeing the Fund's sub-advisers and for determining the amount of the Fund's assets that each sub-adviser will manage for the Fund. While the Adviser expects that each sub-adviser will manage a portion of the Fund's assets at all times, the percentages of the Fund's assets managed by each sub-adviser may vary from time to time.

The Fund pursues its objective by investing, under normal circumstances, at least 80% of its net assets in both debt and equity income-producing securities. Income-producing debt securities include sovereign, municipal and corporate debt securities, and other investment companies, including ETF's, that invest in such securities. Income-producing equity securities include preferred stock, dividend-paying equity, and other investment companies, including ETF's, that invest in such securities. The Fund normally invests at least 50% of its total assets in ETF's that invest in both domestic and foreign U.S. dollar-denominated securities, including leveraged fixed income ETF's. The blend of domestic versus foreign securities will change over time according to the sub-advisers' dynamic strategies, with no pre-set limitation on the percentage balance at any one time.

### **Tactical Growth Allocation Fund**

The Fund seeks to provide capital appreciation. The Fund's adviser, Tactical Fund Advisors, LLC (the "Adviser"), delegates the day-to-day management of the Fund's assets to multiple sub-advisers. The Adviser is responsible for the overall management of the Fund, overseeing the Fund's sub-advisers and for determining the amount of the Fund's assets that each sub-adviser will manage for the Fund. While the Adviser expects that each sub-adviser will manage a portion of the Fund's assets at all times, the percentages of the Fund's assets managed by each sub-adviser may vary from time to time.

The Fund may invest in equity securities of domestic and foreign issuers of any size, equity-related securities such as options on equity indices or index exchange-traded funds ("ETFs"), and exchange-traded notes ("ETNs") linked to the VIX (market volatility) index. Fixed income securities include corporate bonds, municipal securities, and U.S. Treasury securities. The Fund's ETF investments include leveraged ETFs and ETFs that invest in fixed-income securities of any duration or credit quality, including high-yield bonds. High yield bonds are securities that are generally rated below investment grade by the primary rating agencies. The Fund may short shares of equity and fixed income ETFs and foreign equity securities or ETFs, including issuers from emerging market countries. The Fund considers emerging market countries to be those found in the MSCI EAFE Index.

Under normal circumstances, the Fund intends to target a long-term equity beta relative to the S&P500 Index within a range of 0.80 to 0.90. Beta is a statistical measure of the sensitivity of a company's stock price to the movement of a broad market index. The tactical nature of the Fund's underlying investment methodology may temporarily result in wider variations depending on current market conditions.

### **TFA Quantitative Fund**

The Fund seeks to provide capital appreciation. The Fund's adviser, Tactical Fund Advisors, LLC (the "Adviser"), delegates the day-to-day management of the Fund's assets to multiple sub-advisers. The Adviser is responsible for the overall management of the Fund and oversight of the performance of the sub-advisers.

The Sub-Advisers will, under normal conditions, invest the Fund's assets in long, inverse, leveraged and unleveraged mutual funds and exchange-traded funds (the "Underlying Funds") focused on major global equity indices, industry sectors and factor styles. The Fund may invest in inverse funds, which are funds that are designed to provide returns that are the inverse, or opposite of a specific benchmark or index. The Fund may invest in an underlying

fund up to the limits permitted by the Investment Company Act of 1940 and rules thereunder. The Adviser delegates the daily management of the Fund's portfolio to the Sub-Advisers, whose models generate signals based on a quantitative analysis. The Sub-Advisers use these signals to invest in the Underlying Funds. The model's buy, sell, or hold signals are generated by the model's algorithmic, rules-based systems. The Sub-Advisers' models seek to anticipate a market advance, correction, or decline. For its allocation of the Fund's assets, each Sub-Adviser determines the final allocations among the Underlying Funds and other assets using short-term technical analysis and momentum indicators that track recent price changes in the Underlying Funds.

The Fund may invest up to 100% of its total assets in money market instruments during unfavorable market conditions.

### **TFA AlphaGen Growth Fund**

The Fund seeks to provide capital appreciation. The Fund's adviser, Tactical Fund Advisors, LLC (the "Adviser"), delegates the day-to-day management of the Fund's assets to Heritage Capital Advisors, LLC (the "Sub-Adviser"). The Adviser is responsible for the overall management of the Fund and oversight of the performance of the Sub-Adviser.

The Sub-Adviser seeks to achieve the Fund's investment objective by employing an active, risk-managed, multi-strategy investment approach. The Sub-Adviser's philosophy is that utilizing multiple, complementary strategies may enhance portfolio diversification and smooth investment returns over a full market cycle.

The Sub-Adviser employs multiple sub-strategies to manage the portfolio. Sub-strategy approaches may include: 1) Tactical allocation strategies designed to reduce equity exposure and increase fixed-income exposure when market risk is considered elevated. 2) Relative strength-based strategies identifying leading indices in equity and fixed income markets. 3) Directional strategies utilizing adaptive risk management. 4) Leadership-based equity selection strategies focused on top-rated individual stocks (as defined by the Sub-Adviser's proprietary rating system) and sector exposures. 5) Hedging overlay strategies. 6) Equity selection strategies utilizing rules-based selection criteria. The Sub-Adviser may invest in equity securities, including exchange-traded funds (ETF's), mutual funds and individual stocks if the Sub-Adviser determines that equity markets offer the potential for acceptable risk-adjusted returns. If not, the Fund will seek investments that are uncorrelated with the equity market returns such as fixed income securities, including ETF's, mutual funds, cash or cash equivalents and other asset classes.

### **Horter HCA Blended Models**

The Horter HCA Blended Models are multi-methodology, multi-manager, multi-strategy SMA blends designed for higher net worth investors. The models combine risk-targeted/risk-managed strategic allocation strategies, longer-term tactical risk management strategies, and equity selection strategies in an effort to produce robust diversification, generate meaningful alpha, and manage risk exposure during severely negative market environments. These models are managed by Horter based on trading signals received from Heritage Capital Advisors, LLC.

#### Horter HCA – HNW Moderate Blend Model

The HNW Moderate Blend Model seeks moderate capital appreciation through a balanced asset allocation with a target allocation of 65 percent equities and 35 percent bonds and utilizes both strategic and tactical equity investment methodologies. This strategy requires a \$1 million investment minimum which may be waived at the discretion of the Adviser.

#### Horter HCA – HNW Growth Blend Model

The HNW Growth Blend Model seeks capital appreciation through a moderately aggressive asset allocation with a target allocation of 85 percent equities and 15 percent bonds and utilizes both strategic and tactical equity investment methodologies. This strategy requires a \$1 million investment minimum which may be waived at the discretion of the Adviser.

#### Horter HCA – HNW Equity Blend Model

The HNW Equity Blend Model seeks capital appreciation through a moderately aggressive asset allocation with a target allocation of 100 percent equities and utilizes both strategic and tactical equity investment methodologies. This strategy requires a \$1 million investment minimum which may be waived at the discretion of the Adviser.

### **Option to Use Non-TFA Funds**

Clients can elect to exclude TFA Funds. When a client elects to exclude TFA Funds, it can affect the ability to make investments or take advantage of opportunities that are available to clients who do not make the Non-Proprietary Fund Election. As a result, performance of an account with an election can differ from the performance of other accounts without an election. Clients who hold TFA Funds in an existing taxable account at the time of an opt-out election should consult a licensed tax professional.

## **B. Risk Associated with Investment Strategies and Methods of Analysis**

Securities investments are not guaranteed, and you may lose money on your investments, even in lower risk strategies. Clients should understand that investing in any securities, including mutual funds, involves a risk of loss of both income and principal.

Management Risk – There is no guarantee that the investment techniques, risk analysis and professional judgment utilized will produce the intended investment results.

Typical investment risks include market risks typified by a drop in a security's price due to company specific events (such as a poor earnings announcement or downgrade in the credit rating of company bonds) or general market activity (such as occurs in a "bear" market when stock values fall in general). Stock markets, especially foreign markets, are volatile and can decline significantly in response to adverse issues, political, regulatory, market or economic developments. Fixed income strategies are subject to interest rate risk and the inherent credit risk related to the underlying credit worthiness of the various issues and the volatility of the bond market in general.

The Firm utilizes various tactical managers and strategies whose goal is to avoid major market declines by going "risk off" to cash, or by employing various other strategies designed to protect against falling markets. There is no guarantee that managers will be able to avoid

future market losses by employing these strategies. In addition, if a manager goes “risk off” to cash, you should be aware that holding cash may carry the risk that a manager will not be invested during periods of positive market performance.

Some managers may engage in hedging. The manager’s use of inverse securities or other transactions to reduce risk involves costs and are subject to the manager’s ability to predict correctly changes in the relationships of such hedge instruments to the strategy’s portfolio holdings or other factors. No assurance can be given that the manager’s judgment in this respect will be correct. In addition, no assurance can be given that the manager will enter into hedging or other transactions at times or under circumstances in which it may be advisable to do so. Given the potential risk involved, strategies employing hedging may not be suitable for the conservative investor.

Some managers may utilize leverage. The use of leverage increases the risk to a portfolio. Leverage involves the use of various financial instruments or borrowed capital, such as margin, to increase the potential return of an investment. Conversely, leverage can magnify the losses of an investment during a down market. Given the potential risk involved, strategies employing leverage may not be suitable for the conservative investor.

Clients invested in passive multi-manager portfolios, or “Buy and Hold” portfolios, have the risks associated with a portfolio that is not actively managed. In particular, these portfolios may face large and sudden drawdowns during periods of extreme market volatility.

Clients should be aware of the risks involved with investing in alternative investments such as commodities, futures, hedge funds, private equity, REIT’s or other types of limited partnerships. The performance of alternative investments may be more volatile than investments in other equity or debt instruments. Alternative investments typically have unique risk factors and liquidity constraints which are outlined in the offering documents of the investment.

Clients invested in Custom Portfolios may face risks that differ from clients invested in multi-manager portfolios offered by the firm. The investment advice that clients receive will be based on the skills, knowledge, experience and investment style of their individual advisor. Clients are encouraged to review their advisor’s ADV Part 2B “Brochure Supplement”, which provides additional background information on their advisor. It may be difficult to evaluate the past performance of a Custom Portfolio because the portfolio is likely to be different from that of other client’s portfolios.

### **C. Risk Associated with Specific Securities Utilized**

In addition to the risks inherent in the investment strategies advised or sub-advised by Horter, there are risks associated with the specific securities utilized within the investment strategies.

**Equity Securities:** The major risks associated with investing in equity securities relate to the company’s capitalization, quality of the company’s management, quality and cost of the company’s services, the company’s ability to manage costs, efficiencies in the manufacturing or service delivery process, management of litigation risk and the company’s ability to create shareholder value (e.g., increase the value of the company’s stock price).

**Exchange Traded Funds:** ETFs are subject to risks similar to those of stocks. Investment returns will fluctuate and are subject to market volatility, so that when shares are sold they may

be worth more or less than their original cost. ETF shares are bought and sold at market price (not Net Asset Value) and are not individually redeemed from the fund.

**Equity Mutual Funds:** The major risks associated with investing in equity mutual funds is similar to the risks associated with investing directly in equity securities, including market risk, which is the risk that investment returns will fluctuate and are subject to market volatility, so that an investor's shares, when redeemed or sold, may be worth more or less than their original cost. Other risks include the quality and experience of the portfolio management team and its ability to create fund value by investing in securities that have positive growth, the amount of individual company diversification, the type and amount of industry diversification and the type and amount of sector diversification within specific industries. In addition, mutual funds tend to be tax inefficient and therefore investors may pay capital gains taxes on fund investments while not having yet sold their shares in the fund.

**Money Market Funds:** You could lose money by investing in the Fund. An investment in the Fund is not insured or guaranteed by the Federal Deposit Insurance Corporation or other government agency. The Fund's sponsor has no obligation to provide support to the Fund, and you should not expect that the sponsor will provide financial support to the Fund at any time.

**Fixed Income Mutual Funds:** In addition to the risks associated with investing in equity mutual funds, fixed income mutual funds also carry the following risks: (1) Credit Risk – the risk that a company or bond issuer may fail to pay principal and interest payments in a timely manner; (2) Interest Rate Risk – the risk that the market value of the bonds will go down when interest rates rise; and (3) Prepayment Risk – the risk that a bond will be paid off early.

**Indexed Funds:** Indexed Funds have the potential to be affected by "tracking error risk" which means a deviation from a stated benchmark index. Since the core of a portfolio may attempt to closely replicate a benchmark, the source of the tracking error (deviation) may come from a "sample index" that may not closely align to the benchmark. In addition, while many index mutual funds are known for their potential tax efficiency and higher "qualified dividend income" (QDI) percentages, there are asset classes within these funds or holding periods that may not benefit. Shorter holding periods, as well as commodities and currencies that may be part of a fund's portfolio, may be considered "non-qualified" under certain tax code provisions.

**Options:** There are numerous risks associated with transactions in options on securities or securities indexes. A decision as to whether, when and how to use options involves the exercise of skill and judgment, and even a well-conceived transaction may be unsuccessful to some degree because of market behavior or unexpected events. In the case of index options, the client incurs basis risk between the performance of the underlying portfolio and the performance of the underlying index. For example, the underlying portfolio may decline in value while the underlying index may increase in value, resulting in a loss on the call option while the underlying portfolio declines as well.

**Alternative Investments:** The performance of alternative investments (e.g., commodities, futures, hedge funds; funds of hedge funds, private equity or other types of limited partnerships) can be volatile. Alternative investments generally involve various risk factors and liquidity constraints, a complete discussion of which is set forth in the offering documents of each specific alternative investment. Due to the speculative nature of alternative investments a client must satisfy certain income or net worth standards prior to investing.

## Item 9 Disciplinary Information

We are required to disclose any legal or disciplinary events that are material to a client's or prospective client's evaluation of our advisory business or the integrity of our management.

In a December 2014 settlement with the SEC, F-Squared Investments ("F-Squared"), an unaffiliated former signal provider to Horter, admitted that it had violated federal securities laws related to inaccurate performance information for the period April 2001 through September 2008.

The SEC conducted a sweep of investment advisers that had relied on F-Squared's inaccurate performance information, and on December 8, 2017, the SEC announced a settlement with Horter in an order containing findings, which Horter neither admitted nor denied, that Horter violated Sections 206(2) and 206(4) of the Advisers Act and Rule 206(4)-1(a)(5) thereunder, by distributing to clients and prospective clients performance advertising materials provided by F-Squared which contained false or misleading information, and that Horter violated Section 206(4) of the Advisers Act and Rule 206(4)-7 thereunder, by failing to adopt and implement written policies and procedures reasonably designed to prevent violations of the Advisers Act and its rules, and that Horter violated Section 204(a) of the Advisers Act and Rule 204-2(a)(16) thereunder, by failing to maintain records substantiating the performance in the advertisements created by F-Squared.

Horter consented to the entry of an order providing that it cease and desist from committing or causing any violations and future violations and agreed to a censure, and to pay \$778,804, which included a civil money penalty of \$250,000, disgorgement of \$482,595 and prejudgment interest of \$46,209. Additional information is available at <https://www.sec.gov/litigation/admin/2017/ia-4823.pdf>

In a November 2019 settlement with the State of Connecticut, without admitting or denying the Commissioner's allegations, Horter agreed to a consent order alleging that Horter violated Section 36b-6(c)(3) of the General Statutes of Connecticut by engaging an unregistered adviser agent, and that Horter failed to establish, enforce and maintain a system for supervising the activities of its investment adviser agents that was reasonably designed to achieve compliance with applicable securities laws and regulations.

Horter consented to the entry of an order providing it cease and desist from engaging in conduct which would constitute a violation of the Connecticut Act or any regulation under the Act, and to pay an administrative fine of \$12,500.

In connection with an Offer of Settlement from Horter and Drew Horter, and on a neither admit nor deny basis, on November 3, 2022 the Securities and Exchange Commission issued an Order making findings of fact and imposing a cease and desist order against Horter pursuant to Sections 203(e), 203(f) and 203(k) of the Investment Advisers Act of 1940. The Order found that Horter and its CEO, Drew Horter, failed to reasonably supervise former Horter investment adviser representative Kimm Hannan ("Hannan").

The Order further found that Horter violated Section 206(4) and Rule 206(4)-7 by failing reasonably to adopt policies and procedures designed to safeguard client assets against misappropriation by Hannan and also to implement policies and procedures it had adopted. The Order also required continued proceedings to determine what, if any, civil

penalties or remedial actions are appropriate and in the public interest. Following those additional proceedings, on March 20, 2023, the Administrative Law Judge (“ALJ”) assigned to the case issued her Initial Decision. The Initial Decision censures Horter Investment and Mr. Horter, imposes a supervisory collateral bar against Mr. Horter, with the right to reapply after two years and imposes civil penalties against Horter Investment and Mr. Horter. On April 10, 2023, Horter Investment and Mr. Horter filed a Petition to Review the ALJ’s Initial Decision (“Appeal”) by the SEC Commissioners. On May 1, 2023, the Commission granted Horter Investment’s and Mr. Horter’s Petition to Review the ALJ’s Initial Decision. Briefing on the Appeal was completed in July 2023. On October 15, 2024, the SEC issued its final Order against Horter Investment Management, LLC, and Mr. Horter, resulting in Horter Investment Management and Mr. Horter receiving a civil money penalty in the total amount of \$150,000. Additionally, Mr. Horter received a 6-month suspension from serving in a supervisory capacity with Horter and its affiliated investment adviser.

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

### **A. Broker-Dealer and Registered Representative Registration**

Horter is not registered, nor does it have an application pending to register, as a broker-dealer.

Certain Horter advisor’s may be dually registered as representatives of unaffiliated broker-dealers. As such, these individuals may receive compensation from the unaffiliated broker-dealer in the form of commissions resulting from implementing product transactions on behalf of advisory clients through their respective broker-dealer. Clients of Horter are under no obligation to accept a recommendation that may result in a commission paid to an advisor from their respective broker-dealer. Horter’s Code of Ethics requires advisor’s to always act in the best interest of clients.

### **B. Futures and Commodity Registration**

Horter is not registered, nor does it have an application pending to register, as a futures commission merchant, commodity pool operator or commodity trading advisor.

### **C. Financial Industry Affiliations**

#### **Investment Adviser**

Tactical Fund Advisors, LLC (“TFA”), an investment adviser related to Horter through common ownership and control, was formed in 2018. Drew. K. Horter serves as the CEO and CIO to Horter and to Tactical Fund Advisors. More information relating to Tactical Fund Advisors is available on the SEC’s website at [www.adviserinfo.sec.gov](http://www.adviserinfo.sec.gov). You can search this site by a unique identifying number, known as a CRD number. Tactical Fund Advisors, LLC 298049.

#### **Investment Company**

TFA also serves as the investment adviser to the TFA Tactical Income Fund (Class I: TFAZX), the Tactical Growth Allocation Fund (Class I: TFAFX), the TFA Quantitative Fund (Class I: TFAQX) and the TFA AlphaGen Growth Fund (Class I: TFAGX).

## **Insurance Company**

Horter Financial Strategies, LLC (“HFS”), an entity related to Horter Investment Management, LLC through common ownership and control, is an insurance agency located in Cincinnati, Ohio that specializes in life and fixed insurance product sales. In addition to insurance-only agents who sell insurance through HFS, certain Investment Adviser Representatives of the firm are also licensed agents with HFS. Drew K. Horter receives profits from sales of insurance offered through this entity and its agents are compensated through payment of commissions. While these individuals endeavor at all times to put the interests of the clients first as part of Horter’s fiduciary duty, clients should be aware that this practice presents a conflict of interest because individuals providing investment advice on behalf of the firm who are also insurance agents may have an incentive to recommend products to clients for the purpose of generating commissions, rather than solely based on client needs. Clients are under no obligation, contractually or otherwise, to purchase insurance products through any individual affiliated with Horter Financial Strategies, LLC.

Some Horter advisor’s, in their individual capacities, are agents for various insurance companies not affiliated with Horter. As such, these individuals are able to receive separate, yet customary commission compensation resulting from implementing product transactions on behalf of advisory clients. Insurance product transactions are not done through Horter Investment Management LLC. Insurance transactions are regulated by the appropriate state insurance regulations. Clients, however, are not under any obligation to engage these individuals when considering implementation of advisory recommendations. The implementation of any or all recommendations is solely at the discretion of the client.

## **Tax Return Solicitation Company**

Milestone Tax Center (“MTC”) was formed in February 2023 in Cincinnati, Ohio. MTC is an entity related to Horter Investment Management LLC through common ownership and control. MTC was formed as an intermediary and facilitator of tax preparation services, including the solicitation of potential tax preparation clients, client information collection, referral to independent and unaffiliated third-party tax preparers, receiving prepared tax documents and provisioning of prepared tax returns to clients. Certain Investment Adviser Representatives of the firm may also be affiliated with MTC. In some cases, a tax preparation client of MTC could become an investment advisory client of Horter.

## **Other Business Activities**

You should be aware that Investment Adviser Representatives may be engaged in other business activities, as described more fully below. Further information regarding such activities may be found in your advisor’s ADV Part 2B: Brochure Supplement. Some of these activities may be deemed a conflict of interest. Investment Adviser Representatives are prohibited from engaging in any practice that could jeopardize or disadvantage a client or a client account(s). Accordingly, each representative is further required to acknowledge and adhere to the policies and procedures mandated within the firm’s Code of Ethics (please see Item 11 for further information regarding the Code of Ethics).

Clients should be aware that the receipt of additional compensation by Horter and its advisor’s creates a conflict of interest that may impair the objectivity of our firm and these individuals when making advisory recommendations. Horter endeavors at all times to put the interest of its clients first as part of our fiduciary duty as a registered investment adviser; we take the following steps to address this conflict:

- we disclose to clients the existence of all material conflicts of interest, including the potential for the Firm and its advisor's to earn compensation from advisory clients in addition to our firm's advisory fees;
- we disclose to clients that they are not obligated to purchase recommended investment products from Horter or its advisor's;
- we collect, maintain and document accurate, complete and relevant client background information, including the client's financial goals, objectives and risk tolerance;
- our firm's management conducts regular reviews of each client account to verify that all recommendations made to a client are suitable to the client's needs and circumstances;
- we require that our advisor's seek prior approval of any outside employment activity so that we may ensure that any conflicts of interests in such activities are properly addressed;
- we periodically monitor these outside employment activities to verify that any conflicts of interest continue to be properly addressed by our firm; and
- we educate our advisor's regarding the responsibilities of a fiduciary, including the need for having a reasonable and independent basis for the investment advice provided to clients.

The Firm has relationships with advisor's and Solicitors (which may include other investment Advisors, broker dealers, financial planning firms, insurance agencies or CPA firms) who are duly licensed to receive a portion of the advisory fees earned by Firm with respect to client portfolios the Firm manages. Each advisor or Solicitor may also spend a significant portion of their time engaged in other business activities that are not affiliated in any way with the Firm or the portfolios it manages. Such outside business activities may include, but are not limited to, selling insurance products, including fixed indexed annuities (also known as equity-index annuities), for which an advisor or Solicitor may earn commissions. The Firm receives no compensation relating to any outside business activities of its advisors or Solicitors and does not receive any commissions for insurance or annuity products sold by advisors or Solicitors. In certain cases, Horter Financial Strategies, an entity related to Horter Investment Management through common ownership and control, may receive an override on commissions for insurance and annuity products sold by advisors or Solicitors. The Firm assumes no fiduciary or other legal duty, or any supervisory responsibility, with respect to any outside business activities of its advisors or Solicitors, including the sale of insurance or annuity products.

Clients are encouraged to contact Horter's compliance office at 513-984-9933 if they have questions regarding any recommendations being proposed by advisors or Solicitors relating to strategies or investment products that are not described in this Brochure.

#### **D. Solicitation of Outside Money Managers**

The Firm will enter into agreements with various non-affiliated investment advisors (“NIA’s”) to offer asset allocation and asset management services to certain Firm clients. Such clients will be given the following documents, in addition to this Form ADV Part 2A: a Solicitor’s Disclosure document, and a copy of the NIA’s Form ADV Part 2A. The Solicitor’s Disclosure document provides details with regard to specific referral arrangements between the NIA and the Firm. The NIA’s Form ADV Part 2A provides details with regard to their advisory services and fees. The Firm will maintain its relationship with a client by providing services that include assisting the client in choosing investment objectives and appropriate investment managers, setting restrictions or limitations on the management account, explaining portfolio strategies and transactions, and answering client questions. Also, the Firm will review the performance of the NIA on an ongoing basis prior to introducing clients to the NIA. The relationship between the Firm and the NIA will be clearly communicated and disclosed to all the clients in the Solicitor’s Disclosure document.

Compensation is usually received by the Firm after services are rendered. Fees paid in advance will be refunded to the client prorated to the number of days in the quarter in which the client received the services. Generally, an agreement may be terminated within thirty (30) days with written notice. However, compensation arrangements and termination provisions will also be disclosed in the non-affiliated Advisor’s disclosure brochure and/or the Firm’s disclosure brochure. Fees, payments and refund policies will vary depending upon the non-affiliated investment Advisor’s fee schedule and terms. The Firm will make all reasonable efforts to determine that any non-affiliated investment Advisor, with which the Firm contracts, is properly registered in those states where investment advice or securities are provided to residents of that state.

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

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

Our firm has adopted a Code of Ethics which sets forth high ethical standards of business conduct that we require of our employees, including compliance with applicable federal securities laws.

A copy of our Code of Ethics is available to our advisory clients and prospective clients. You may request a copy by email sent to [compliance@him-ria.com](mailto:compliance@him-ria.com), or by calling us at 513-984-9933.

Horter and our personnel owe a duty of loyalty, fairness and good faith towards our clients, and have an obligation to adhere not only to the specific provisions of the Code of Ethics but to the general principles that guide the Code.

Our Code of Ethics includes policies and procedures for the review of quarterly securities transactions reports as well as initial and annual securities holdings reports that must be submitted by the firm’s access persons. Among other things, our Code of Ethics also requires the prior approval of any acquisition of securities in a limited offering (e.g., private placement) or an initial public offering. Our code also provides for oversight, enforcement and recordkeeping provisions.

Horter's Code of Ethics further includes the firm's policy prohibiting the use of material non-public information. While we do not believe that we have any particular access to non-public information, all employees are reminded that such information may not be used in a personal or professional capacity.

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

Horter has a material financial interest in recommending TFA Funds: TFAZX, TFAFX, TFAQX and TFAGX. Tactical Fund Advisors, LLC ("TFA"), an affiliated investment adviser related to Horter Investment Management, LLC through common ownership and control, serves as the investment advisor to the TFA Funds. The expense ratio of the TFA Funds may be found in the current Prospectus. Tactical Fund Advisors has contractually agreed to limit the expense ratio to 1.99% for TFAZX, TFAFX, TFAQX and TFAGX through April 30, 2024. TFA and Drew K. Horter receive approximately 1.30% for the management of the TFA Funds. Moreover, TFA's fees related to these funds are proportional to the amount of assets invested in them. Therefore, Horter and Drew K. Horter have a material financial interest and a financial incentive to recommend these funds to you, which creates a material conflict of interest. See Item 4, 5, 8, and 10 for additional information.

Clients may obtain additional information about the fees and expenses that may apply due to investing in the TFA Funds by contacting Horter. Clients may also obtain information by reviewing the relevant prospectus for the funds which are publicly available on the EDGAR Database on the SEC's website ([www.sec.gov](http://www.sec.gov)). Clients may elect not to invest in these funds, not to invest in strategies that utilize these funds, and can opt out of an allocation to TFA Funds at any time. Clients may also request information about other investment options available at Horter.

## **C. Participation or Interest in Client Securities**

The firm and people supervised by the firm, including Investment Adviser Representatives ("employees"), may hold positions in the same securities as the firm's clients. As a result, at times it may be possible for an investment decision to benefit the firm or its employees more than the client. To manage this potential conflict of interest, the firm has adopted the following principles governing personal investment activities of its employees:

- No principal, employee, agent or Investment Adviser Representative of our firm may put his or her own interest above the interest of an advisory client.
- Our Code of Ethics is designed to assure that the personal securities transactions, activities and interests of our employees will not interfere with (i) making decisions in the best interest of advisory clients and (ii) implementing such decisions while, at the same time, allowing employees to invest for their own accounts.
- No principal, employee, agent or Investment Adviser Representative of our firm may buy or sell securities for their personal portfolio(s) where their decision is a result of information received as a result of his or her employment unless the information is also available to the investing public.

In the normal course of business client positions may be bought or sold alongside the positions of the firm or its employees. We have implemented policy restrictions with respect to transactions in accounts of the firm and its employees, including accounts which an employee may have control or a beneficial interest, including:

- Horter and individuals associated with our firm are prohibited from engaging in principal transactions.
- Horter and individuals associated with our firm are prohibited from engaging in agency cross transactions.
- We may aggregate our employee trades with client transactions where possible and when compliant with our duty to seek best execution for our clients. In these instances, participating clients will receive an average share price and transaction costs will be shared equally and on a pro-rata basis. In the instances where there is a partial fill of a particular batched order, we will allocate all purchases pro-rata, with each account paying the average price. Our employee accounts will be included in the pro-rata allocation.
- When it is not possible to aggregate employee trades with client transactions, it is the expressed policy of the firm that no employee may purchase or sell any security prior to a transaction(s) being implemented for an advisory account. While the firm believes this practice prevents the firm or its employees from benefiting from transactions placed on behalf of advisory accounts, this practice may result in clients receiving worse pricing due to changes in the market.
- We maintain a list of all reportable securities holdings for our firm and anyone associated with this advisory practice that has access to advisory recommendations ("access person"). These holdings are reviewed on a regular basis by our firm's Chief Compliance Officer or his/her designee.

## Item 12 Brokerage Practices

### A. Broker-Dealer Selection

The firm currently recommends and utilizes Schwab, AXOS Advisor Services and Nationwide Advisory Solutions for custody of client assets.

The recommended custodians are securities broker-dealers and are members of the Financial Industry Regulatory Authority ("FINRA") and the Securities Investor Protection Corporation ("SIPC").

While price is not the sole factor we consider when evaluating best execution, we believe that each recommended custodian provides quality execution services to clients at competitive prices. We also consider the quality of brokerage services provided by the custodian, including the value of the custodian's reputation, execution capabilities, commission rates, responsiveness to our clients and our firm, and the value of services the custodian provides to the firm. In recognition of the value of the services the custodian may provide, you may pay higher commissions and/or trading costs than those that may be available elsewhere. This may create a conflict of interest.

### B. Trade Aggregation / Allocation

Horter will block trades where possible and when advantageous to clients. This blocking of trades permits the trading of aggregate blocks of securities composed of assets from multiple client accounts, so long as transaction costs are shared equally and on a pro-rated basis between all accounts included in any such block.

Block trading may allow us to execute equity trades in a timelier, more equitable manner, at an average share price. Horter will typically aggregate trades among clients whose accounts

can be traded at a given broker, and generally will rotate or vary the order of brokers through which it places trades for clients on any particular day. Horter's block trading policy and procedures are as follows:

1. Transactions for any client account may not be aggregated for execution if the practice is prohibited by or inconsistent with the client's advisory agreement with Horter, or our firm's order allocation policy.
2. The trading desk in concert with the portfolio manager must determine that the purchase or sale of the particular security involved is appropriate for the client and consistent with the client's investment objectives and with any investment guidelines or restrictions applicable to the client's account.
3. The portfolio manager must reasonably believe that the order aggregation will benefit, and will enable Horter to seek best execution for each client participating in the aggregated order. This requires a good faith judgment at the time the order is placed for the execution. It does not mean that the determination made in advance of the transaction must always prove to have been correct in the light of a "20-20 hindsight" perspective. Best execution includes the duty to seek the best quality of execution, as well as the best net price.
4. Prior to entry of an aggregated order, a written order ticket must be completed which identifies each client account participating in the order and the proposed allocation of the order, upon completion, to those clients.
5. If the order cannot be executed in full at the same price or time, the securities actually purchased or sold by the close of each business day must be allocated pro rata among the participating client accounts in accordance with the initial order ticket or other written statement of allocation. However, adjustments to this pro rata allocation may be made to participating client accounts in accordance with the initial order ticket or other written statement of allocation. Furthermore, adjustments to this pro rata allocation may be made to avoid having odd amounts of shares held in any client account, or to avoid excessive ticket charges in smaller accounts.
6. Generally, each client that participates in the aggregated order must do so at the average price for all separate transactions made to fill the order, and must share in the commissions on a pro rata basis in proportion to the client's participation. Under the client's agreement with the custodian/broker, transaction costs may be based on the number of shares traded for each client.
7. If the order will be allocated in a manner other than that stated in the initial statement of allocation, a written explanation of the change must be provided to and approved by the Chief Compliance Officer no later than the morning following the execution of the aggregate trade.
8. Horter's client account records separately reflect, for each account in which the aggregated transaction occurred, the securities which are held by, and bought and sold for, that account.

9. Funds and securities for aggregated orders are clearly identified on Horter's records and to the broker-dealers or other intermediaries handling the transactions, by the appropriate account numbers for each participating client.

10. No client or account will be favored over another.

In certain circumstances, the Firm has delegated its trading authority to certain Third-Party Money Managers. Please see the brokerage practices of these Third-Party Money Managers as disclosed in their Firm Brochures.

## Item 13 Review of Accounts

### A. Client Reviews

#### **Investment Advisory Services**

The underlying securities in the third-party manager programs are continuously monitored by the third-party managers. The client accounts are reviewed at least annually by the Investment Adviser Representative who is responsible for the account. Accounts are reviewed in the context of each client's stated investment objectives and guidelines.

#### **Financial Planning Services**

While reviews may occur at different stages depending on the nature and terms of the specific engagement, typically no formal reviews will be conducted for Financial Planning clients unless otherwise contracted for.

#### **Elements Used for Review Process**

The review process contains each of the following elements:

- evaluate the strategy which has been employed
- monitor the portfolio
- address the need to rebalance

### B. Other Than Periodic Reviews

More frequent reviews may be triggered by material changes in variables such as the client's individual circumstances, or the market, political or economic environment. The client may trigger a review at any time by contacting their Investment Advisor Representative and requesting a review.

### C. Reports

#### **Investment Advisory Services**

In addition to the monthly or quarterly statements and confirmations of transactions that clients receive directly from their custodian, we may for certain custodians provide supplemental quarterly reports summarizing account performance, balances and holdings. Clients must provide the Firm with a valid email address to access the client web portal in order to view the supplemental quarterly performance reports. Clients receive an automated email when the quarterly reports have been posted to their client portal. Otherwise, clients may request a copy of the reports from their Investment Adviser Representative.

## **Financial Planning Services**

Financial Planning clients may receive a completed financial plan. Additional reports will not typically be provided unless otherwise contracted for.

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

### **Other Compensation**

It is Horts's policy not to accept or allow our related persons to accept any form of compensation, including cash, sales awards or other prizes, from a non-client in conjunction with the advisory services we provide to our clients.

Our firm may pay referral fees to independent persons or firms ("Promoters") for introducing clients to us. These referral fees are based upon an agreed upon amount of the fees paid to us by clients solicited by each Promoter. Whenever we pay a referral fee, we require the Solicitor to provide the prospective client with a copy of this document (our Firm Brochure) and a separate disclosure statement that includes the following information:

- The Promoter's name and relationship with our firm;
- The fact that the Promoter is being paid a referral fee;
- Whether the fee paid to us by the client will be increased above our normal fees in order to compensate the Promoter.

As a matter of firm practice, the advisory fees paid to us by clients referred by Promoter's are not increased as a result of any referral.

- The Promoter's name and relationship with our firm;
- The fact that the Promoter is being paid a referral fee;
- Whether the fee paid to us by the client will be increased above our normal fees in order to compensate the Promoter.

As a matter of firm practice, the advisory fees paid to us by clients referred by Promoter's are not increased as a result of any referral.

### **Referral Programs**

Our firm may provide existing clients with compensation for new client referrals in the form of reduced account advisory fees or other non-cash compensation. This cash or non-cash compensation to any person will not exceed \$1,000 within a 12-month period. When referring prospective clients to Horts, those referring are required to provide you with certain disclosures, including whether the referring person (also called a "Promoter") is a client of Horts, whether they are being compensated for referring you to Horts, and whether any material conflicts of interest exist on the part of the Promoter and/or their relationship with Horts. One such conflict exists in referral programs such as this as the Promoter receives compensation referring you to Horts. Absent this compensation, the Promoter may not be inclined to promote the advisory services of Horts.

## Item 15 Custody

Horter utilizes three qualified custodians in the management of its client's assets: Charles Schwab, Axos, and Nationwide.

Standing Letters of Authorization ("SLOAs"). Our firm permits our clients to enter into Standing Letters of Authorization which deems our firm to have custody over those client's assets. Under the Custody Rule, Advisers that maintain custody have four (4) requirements placed on them:

- Assets must be maintained with a qualified custodian. Our firm only permits SLOAs to be used with Charles Schwab, a qualified custodian.
- Clients must be notified who the qualified custodian is. While our firm does utilize other qualified custodians, we only permit SLOAs with Charles Schwab, who is the qualified custodian for those assets.
- Qualified custodians must send account statements directly to clients and Advisers must have reasonable belief that this is occurring. Charles Schwab has provided our firm written confirmation that they send account statements not less than once every calendar quarter and those statements are sent to the address shown on Schwab's records via postal mail or electronic delivery, as elected by the account holder.
- Advisers must have an annual surprise examination conducted by an independent public accountant for accounts with which the adviser maintains custody. Pursuant to an SEC No-Action Letter dated February 21, 2017, Advisers that satisfy certain requirements are not required to obtain a surprise examination. Horter's maintains policies and procedures designed to ensure the satisfaction of these requirements and therefore, Horter will not obtain a surprise examination for assets under custody due to SLOAs.

**We urge you to compare the information in the account statement(s) you receive directly from Schwab, the qualified custodian of your assets, to the information that may be provided by the Firm or its advisors in periodic performance or other reports.**

Fee Billing. We previously disclosed in the "Fees and Compensation" section (Item 5) of this Brochure that our firm directly debits advisory fees from client accounts.

As part of this billing process, the client's custodian is advised of the amount of the fee to be deducted from that client's account. On at least a quarterly basis, the custodian is required to send to the client a statement showing all transactions within the account during the reporting period.

Because the custodian does not calculate the amount of the fee to be deducted, it is important for clients to carefully review their custodial statements to verify the accuracy of the calculation, among other things. Clients should contact us directly if they believe that there may be an error in their statement.

## Item 16 Investment Discretion

Clients may hire us to provide discretionary asset management services, in which case we place trades in a client's account without contacting the client prior to each trade to obtain the client's permission.

Our discretionary authority includes the ability to do the following without contacting the client:

- determine the security to buy or sell; and/or
- determine the amount of the security to buy or sell
- determine which Third-Party Money Manager(s) to hire or fire

Clients give us discretionary authority when they sign a discretionary agreement with our firm. Clients may place reasonable restrictions on this authority by giving us written instructions. Clients may also change/amend such limitations by once again providing us with written instructions.

## **Item 17 Voting Client Securities**

As a matter of firm policy, we do not vote proxies on behalf of clients. Therefore, although our firm may provide investment advisory services relative to client investment assets, clients maintain exclusive responsibility for: (1) directing the manner in which proxies solicited by issuers of securities beneficially owned by the client shall be voted, and (2) making all elections relative to any mergers, acquisitions, tender offers, bankruptcy proceedings or other type events pertaining to the client's investment assets. Clients are responsible for instructing each custodian of the assets to forward to the client copies of all proxies and shareholder communications relating to the client's investment assets.

## **Item 18 Financial Information**

### **A. Prepayment of Fees**

Horter does not require or accept the prepayment of more than \$1,200 in fees six months or more in advance. Therefore, is not required to include a balance sheet with this Form ADV.

### **B. Financial Condition**

As an advisory firm that maintains custody and discretionary authority for clients, we are also required to disclose any financial condition that is reasonably likely to impair our ability to meet our contractual obligations. Horter Investment Management, LLC, experienced financial losses over 2022 and 2023 due in part to increased capital expenditures on new marketing initiatives and business lines designed to foster future growth opportunities for the organization. As a consequence, the firm has materially relied upon its owner, Drew Horter, for financial support. The firm has taken affirmative steps to address its overhead and other expenditure and has continued to pursue its growth initiatives, increasing assets under management by approximately 30 percent during its 2024 fiscal year. With Mr. Horter's continued support, Horter is able to continue to meet its contractual obligations.

### **C. Bankruptcy**

Horter has not been the subject of a bankruptcy petition at any time during the past ten years.