

# **Catalyst Investment Management, LLC**

## **Form ADV Part 2A – Disclosure Brochure**

**Effective: February 21, 2023**

This Form ADV Part 2A (“Disclosure Brochure”) provides information about the qualifications and business practices of Catalyst Investment Management, LLC (“CIM” or the “Advisor”). If you have any questions about the content of this Disclosure Brochure, please contact the Advisor at (603) 952-1209 or by email at [info@catalystinvestmentmanagement.com](mailto:info@catalystinvestmentmanagement.com).

CIM is a registered investment advisor with the U.S. Securities and Exchange Commission (“SEC”). The information in this Disclosure Brochure has not been approved or verified by the SEC or by any state securities authority. Registration of an investment advisor does not imply any specific level of skill or training. This Disclosure Brochure provides information about CIM to assist you in determining whether to retain the Advisor.

Additional information about CIM and its Advisory Persons is available on the SEC’s website at [www.adviserinfo.sec.gov](http://www.adviserinfo.sec.gov) by searching with the Advisor firm name or CRD# 298122.

## Item 2 – Material Changes

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Form ADV 2 is divided into two parts: *Part 2A (the "Disclosure Brochure")* and *Part 2B (the "Brochure Supplement")*. The Disclosure Brochure provides information about a variety of topics relating to an Advisor's business practices and conflicts of interest. The Brochure Supplement provides information about the Advisory Persons of CIM. For convenience, the Advisor has combined these documents into a single disclosure document.

CIM believes that communication and transparency are the foundation of its relationship with clients and will continually strive to provide you with complete and accurate information at all times. CIM encourages all current and prospective clients to read this Disclosure Brochure and discuss any questions you may have with the Advisor.

### Material Changes

The following material changes have been made to this Disclosure Brochure since the last filing and distribution to Clients:

- The Advisor is in the process of transitioning from registration with the State of New Hampshire to registration with the U.S. Securities and Exchange Commission ("SEC") due to the level of assets under management. Please see Item 4 of this Disclosure Brochure.
- Item 8 has been updated to reflect the risks associated with buffer ETFs.

### Future Changes

From time to time, the Advisor may amend this Disclosure Brochure to reflect changes in business practices, changes in regulations or routine annual updates as required by the securities regulators. This complete Disclosure Brochure or a Summary of Material Changes shall be provided to you annually and if a material change occurs.

At any time, you may view the current Disclosure Brochure on-line at the SEC's Investment Adviser Public Disclosure website at [www.adviserinfo.sec.gov](http://www.adviserinfo.sec.gov) by searching with the Advisor's firm name or CRD# 298122. You may also request a copy of this Disclosure Brochure at any time, by contacting the Advisor at (603) 952-1209 or by email at [info@catalystinvestmentmanagement.com](mailto:info@catalystinvestmentmanagement.com).

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## Item 4 – Advisory Services

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### A. Firm Information

Catalyst Investment Management, LLC (“CIM” or the “Advisor”) is a registered investment advisor with the U.S. Securities and Exchange Commission (“SEC”). The Advisor is organized as a Limited Liability Company (“LLC”) under the laws of the State of New Hampshire. CIM was founded in April 2018 and became a registered investment advisor in October 2018. CIM is owned and operated by Nicholas J. Shea (Managing Member and Chief Compliance Officer), and Kimberly Quinn (Partner)).

This Disclosure Brochure provides information regarding the qualifications, business practices, and the advisory services provided by CIM. Information regarding Mr. Shea and Mrs. Quinn’s backgrounds are included in their Form ADV 2B – Brochure Supplement, which is included with this Disclosure Brochure.

### B. Advisory Services Offered

CIM offers investment advisory services to individuals, high net worth, individuals, trusts, and estates (each referred to as a “Client”).

The Advisor serves as a fiduciary to Clients, as defined under the applicable laws and regulations. As a fiduciary, the Advisor upholds a duty of loyalty, fairness and good faith towards each Client and seeks to mitigate potential conflicts of interest. CIM’s fiduciary commitment is further described in the Advisor’s Code of Ethics. For more information regarding the Code of Ethics, please see Item 11 – Code of Ethics, Participation or Interest in Client Transactions and Personal Trading.

#### Investment Management Services

CIM provides customized investment management solutions for its Clients. This is achieved through continuous personal Client contact and interaction while providing discretionary investment management and related advisory services. CIM works closely with each Client to identify their investment goals and objectives as well as risk tolerance and financial situation in order to create a portfolio strategy. CIM will then construct an investment portfolio, consisting of low-cost, diversified mutual funds and/or exchange-traded funds (“ETFs”) to achieve the Client’s investment goals. The Advisor may also utilize individual stocks and individual bonds in constructing Client portfolios. In limited circumstances, the Advisor may utilize covered options contracts as a risk mitigation strategy or recommend the use of real estate investment trusts (“REITs”) and other limited partnerships, such as oil & gas partnerships, where necessary and appropriate the Client’s investment portfolio. The Advisor may retain certain legacy investments based on the merit of the investment, portfolio alignment and/or the tax implications.

CIM’s investment approach is primarily long-term focused, but the Advisor may buy, sell or re-allocate positions that have been held for less than one year to meet the objectives of the Client or due to market conditions. CIM will construct, implement and monitor the portfolio to ensure it meets the goals, objectives, circumstances, and risk tolerance agreed to by the Client. Each Client will have the opportunity to place reasonable restrictions on the types of investments to be held in their respective portfolio, subject to acceptance by the Advisor.

CIM evaluates and selects investments for inclusion in Client portfolios only after applying its internal due diligence process. CIM may recommend, on occasion, redistributing investment allocations to diversify the portfolio. CIM may recommend specific positions to increase sector or asset class weightings. The Advisor may recommend employing cash positions as a possible hedge against market movement. CIM may recommend selling positions for reasons that include, but are not limited to, harvesting capital gains or losses, business or sector risk exposure to a specific security or class of securities, overvaluation or overweighting of the position[s] in the portfolio, change in risk tolerance of the Client, generating cash to meet Client needs, or any risk deemed unacceptable for the Client’s risk tolerance. The Advisor’s investment process is intended to have a low portfolio turnover and focus on a well-diversified portfolio designed to meet the Client’s investment goals, time horizon and attitude towards investment risk. The Advisor does not recommend leveraged or inverse ETFs or similar leveraged or short securities.

*Retirement Accounts* – When the Advisor provides investment advice to Clients regarding ERISA retirement accounts or individual retirement accounts (“IRAs”), the Advisor is a fiduciary within the meaning of Title I of the Employee Retirement Income Security Act (“ERISA”) and/or the Internal Revenue Code (“IRC”), as applicable, which are laws governing retirement accounts. When deemed to be in the Client’s best interest, the Advisor will provide investment advice to a Client regarding a distribution from an ERISA retirement account or to roll over the

assets to an IRA, or recommend a similar transaction including rollovers from one ERISA sponsored Plan to another, one IRA to another IRA, or from one type of account to another account (e.g. commission-based account to fee-based account). Such a recommendation creates a conflict of interest if the Advisor will earn a new (or increase its current) advisory fee as a result of the transaction. No client is under any obligation to roll over a retirement account to an account managed by the Advisor.

At no time will CIM accept or maintain custody of a Client's funds or securities, except for the limited authority as outlined in Item 15 – Custody. All Client assets will be managed within the designated account[s] at the Custodian, pursuant to the terms of the advisory agreement. Please see Item 12 – Brokerage Practices.

### Financial Planning Services

CIM will provide a variety of financial planning and consulting services to Clients, either as a component of investment management services or pursuant to a written financial planning agreement. Services are offered in several areas of a Client's financial situation, depending on their goals and objectives.

Generally, such financial planning services involve preparing a formal financial plan, existing portfolio review or rendering a specific financial consultation based on the Client's financial goals and objectives. This planning or consulting may encompass one or more areas of need, including but not limited to, investment planning, personal savings, education savings, insurance needs, business planning, estate planning, net worth analysis, risk analysis and other areas of a Client's financial situation.

A financial plan developed for, or financial consultation rendered to the Client will usually include general recommendations for a course of activity or specific actions to be taken by the Client. For example, recommendations may be made that the Client start or revise their investment programs, commence or alter retirement savings, establish education savings and/or charitable giving programs.

CIM may also refer Clients to an accountant, attorney or other specialists, as appropriate for their unique situation. For certain financial planning engagements, the Advisor will provide a written summary of the Client's financial situation, observations, and recommendations. For consulting or ad-hoc engagements, the Advisor may not provide a written summary. Plans or consultations are typically completed within six (6) months of contract date, assuming all information and documents requested are provided promptly.

Financial planning and consulting recommendations pose a conflict between the interests of the Advisor and the interests of the Client. For example, the Advisor has an incentive to recommend that Clients engage the Advisor for investment management services or to increase the level of investment assets with the Advisor, as it would increase the amount of advisory fees paid to the Advisor. Clients are not obligated to implement any recommendations made by the Advisor or maintain an ongoing relationship with the Advisor. If the Client elects to act on any of the recommendations made by the Advisor, the Client is under no obligation to implement the transaction through the Advisor.

### **C. Client Account Management**

Prior to engaging CIM to provide investment advisory services, each Client is required to enter into one or more agreements with the Advisor which may include an investment advice agreement and/or financial planning agreement. The agreements define the terms, conditions, authority and responsibilities of the Advisor and the Client. These services may include:

- Establishing an Investment Strategy – CIM, in connection with the Client, will develop a strategy that seeks to achieve the Client's goals and objectives.
- Asset Allocation – CIM will develop a strategic asset allocation that is targeted to meet the investment objectives, time horizon, financial situation and tolerance for risk for each Client.
- Investment Management and Supervision – CIM will provide investment management and ongoing oversight of the Client's investment portfolio.
- Financial Planning – If engaged by the Client for financial planning services, the Advisor will provide one-time and/or ongoing planning services which are tailored to the needs of the Client.

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## **D. Wrap Fee Programs**

CIM includes securities transaction fees and other fees and expenses as outlined in Appendix 1 (“Wrap Fee Program Brochure”) together with its investment advisory fees. Including these fees into a single asset-based fee is considered a “Wrap Fee Program”. The Advisor customizes its investment management services for its Clients. The Advisor sponsors the CIM Wrap Fee Program solely as a supplemental disclosure regarding the combination of fees. Depending on the level of trading required for the Client’s account[s] in a particular year, the Client may pay more or less in total fees than if the Client paid its own transaction fees. Please see the Wrap Fee Program Brochure, which is included as a supplement to this Disclosure Brochure.

## **E. Assets Under Management**

As of December 31, 2022, CIM manages \$107,200,000 in Client assets, \$104,100,000 of which are managed on a discretionary basis, and \$3,100,000 managed on a non-discretionary basis. Clients may request more current information at any time by contacting the Advisor.

## **Item 5 – Fees and Compensation**

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The following paragraphs detail the fee structure and compensation methodology for services provided by the Advisor. Each Client engaging the Advisor for services described herein shall be required to enter into one or more written advisory agreements with the Advisor that define the scope of services and fees to be paid.

### **A. Fees for Advisory Services**

#### Investment Management Services

Investment advisory fees are paid quarterly, in advance of each calendar quarter, pursuant to the terms of the investment advisory agreement. Investment advisory fees are based on the market value of assets under management at the end of the prior calendar quarter. Investment advisory fees range from 0.75% to 1.25% annually based on several factors, including: the complexity of the services to be provided, the level of assets to be managed, and the overall relationship with the Advisor. Relationships with multiple objectives, specific reporting requirements, portfolio restrictions and other complexities may be charged a higher fee.

The investment advisory fee in the first quarter of service is prorated from the inception date of the account[s] to the end of the first calendar quarter. Fees may be negotiable at the sole discretion of the Advisor. The Client’s fees will take into consideration the aggregate assets under management with the Advisor. All securities held in accounts managed by CIM will be independently valued by the Custodian. CIM will conduct periodic reviews of the Custodian’s valuations.

Clients may make additions to and withdrawals from their account[s] at any time, subject to CIM’s right to terminate an account. Additions may be in cash or securities provided that CIM reserves the right to liquidate any transferred securities or decline to accept particular securities into a Client’s account[s]. Clients may withdraw account assets on notice to CIM, subject to the usual and customary securities settlement procedures. However, CIM designs its portfolios as long-term investments and the withdrawal of assets may impair the achievement of a Client’s investment objectives. CIM may consult with its Clients about the options and ramifications of transferring securities. However, Clients are advised that when transferred securities are liquidated, they are subject to transaction fees, fees assessed at the mutual fund level (i.e. contingent deferred sales charge) and/or tax ramifications.

#### Financial Planning Services

CIM offers financial planning services on an hourly basis at a rate of \$250 per hour. Fees may be negotiable based on the nature and complexity of the services to be provided and the overall relationship with the Advisor. An estimate for total hours and overall costs will be provided to the Client prior to engaging for these services. If a Client engages the Advisor for investment management services, CIM may reduce or waive its fees for financial planning services.

### **B. Fee Billing**

#### Investment Management Services

Investment advisory fees are calculated by the Advisor or its delegate and deducted from the Client’s account[s] at the Custodian. The Advisor shall send an invoice to the Custodian indicating the amount of the fees to be deducted from the Client’s account[s] at the beginning of the respective quarter. The amount due is calculated by applying the quarterly rate (annual rate divided by 4) to the total assets under management with CIM at the end of the prior quarter.

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Clients will be provided with a statement, at least quarterly, from the Custodian reflecting deduction of the investment advisory fee. In addition, the Advisor will provide the Client a report itemizing the fee, including the calculation period covered by the fee, the account value and the methodology used to calculate the fee. Clients are urged to also review and compare the statement provided by the Advisor to the brokerage statement from the Custodian, as the custodian does not perform a verification of fees. Clients provide written authorization permitting advisory fees to be deducted by CIM directly from their account[s] held by the Custodian as part of the investment advisory agreement and separate account forms provided by the Custodian.

#### Financial Planning Services

Financial planning fees are invoiced by the Advisor and are due upon execution of the financial planning agreement. The Advisor will not collect fees that are greater than \$500 if the services will be for six (6) months or more in the future.

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

Clients may incur certain fees or charges imposed by third parties in connection with investments made on behalf of the Client's account[s]. CIM includes securities transactions costs as part of its overall investment advisory fee through the CIM Wrap Fee Program. The Advisor's recommended Custodian does not charge securities transaction fees for ETF and equity trades in a Client's account, provided that the account meets the terms and conditions of the Custodian's brokerage requirements. However, the Custodian typically charges for mutual funds and other types of investments. Securities transaction fees for Client-directed trades may be charged back to the Client. Please see Item 4.D. above as well as Appendix 1 – Wrap Fee Program Brochure.

In addition, all fees paid to CIM for investment advisory services or part of the CIM Wrap Fee Program are separate and distinct from the expenses charged by mutual funds and ETFs to their shareholders, if applicable. These fees and expenses are described in each fund's prospectus. These fees and expenses will generally be used to pay management fees for the funds, other fund expenses, account administration (e.g., custody, brokerage and account reporting), and a possible distribution fee. A Client may be able to invest in these products directly, without the services of CIM, but would not receive the services provided by CIM which are designed, among other things, to assist the Client in determining which products or services are most appropriate for each Client's financial situation and objectives. Accordingly, the Client should review both the fees charged by the fund[s] and the fees charged by CIM to fully understand the total fees to be paid. Please refer to Item 12 – Brokerage Practices for additional information.

### **D. Advance Payment of Fees and Termination**

#### Investment Management Services

CIM is compensated for its services in advance of the quarter, in which investment management services are rendered. Either party may terminate the investment advisory agreement, at any time, by providing advance written notice to the other party. The Client may also terminate the investment advisory agreement within five (5) business days of signing the Advisor's agreement at no cost to the Client. After the five-day period, the Client will incur charges for bona fide advisory services rendered to the point of termination and such fees will be due and payable by the Client. Upon termination, the Advisor will refund any unearned, prepaid investment advisory fees from the effective date of termination to the end of the quarter. The Client's investment advisory agreement with the Advisor is non-transferable without the Client's prior consent.

#### Financial Planning Services

CIM is compensated for its services upon completion of the engagement deliverable[s]. Either party may terminate the financial planning agreement, at any time, by providing advance written notice to the other party. The Client may also terminate the financial planning agreement within five (5) business days of signing the financial planning agreement at no cost to the Client. After the five-day period, the Client will incur charges for bona fide advisory services rendered to the point of termination and such fees will be due and payable by the Client. Upon termination, the Advisor will refund any unearned, prepaid advisory fees. The Client's financial planning agreement with the Advisor is non-transferable without the Client's prior consent.

### **E. Compensation for Sales of Securities**

CIM does not buy or sell securities to earn commissions and does not receive any compensation for securities transactions in any Client account, other than the investment advisory fees noted above.

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### Insurance Agency Affiliations

The Advisor is affiliated through common ownership and control with Catalyst Insurance, LLC (“Catalyst Insurance”), an insurance agency. Certain Advisory Persons are also licensed insurance professionals of Catalyst Insurance. Implementations of insurance recommendations are separate and apart from one’s role with CIM. Advisory Persons and Catalyst Insurance will earn customary commissions and other related revenues from the various insurance companies whose products are sold. Commissions generated by insurance sales do not offset regular advisory fees. This practice presents a conflict of interest in recommending certain products of the insurance companies for the purpose of generating commissions instead of a Client’s best interest. Clients are under no obligation to implement any recommendations made by Mr. Shea or the Advisor.

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

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CIM does not charge performance-based fees for its investment advisory services. The fees charged by CIM are as described in Item 5 above and are not based upon the capital appreciation of the funds or securities held by any Client.

CIM does not manage any proprietary investment funds or limited partnerships (for example, a mutual fund or a hedge fund) and has no financial incentive to recommend any particular investment solutions to its Clients.

### **Item 7 – Types of Clients**

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CIM offers investment advisory services to individuals, high net worth individuals, trusts, and estates. The amount of each type of Client is available on CIM’s Form ADV Part 1A. These amounts may change over time and are updated at least annually by the Advisor. CIM generally does not impose a minimum relationship size. However, the Advisor does impose a minimum fee of \$250, which can be waived at the sole discretion of the Advisor.

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

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#### **A. Methods of Analysis**

CIM employs fundamental, technical, cyclical, charting analysis in developing investment strategies for its Clients. Research and analysis from CIM are derived from numerous sources, including financial media companies, third-party research materials, Internet sources, and review of company activities, including annual reports, prospectuses, press releases and research prepared by others.

*Fundamental analysis* utilizes economic and business indicators as investment selection criteria. This criteria consists generally of ratios and trends that may indicate the overall strength and financial viability of the entity being analyzed. Assets are deemed suitable if they meet certain criteria to indicate that they are a strong investment with a value discounted by the market. While this type of analysis helps the Advisor in evaluating a potential investment, it does not guarantee that the investment will increase in value. Assets meeting the investment criteria utilized in the fundamental analysis may lose value and may have negative investment performance. The Advisor monitors these economic indicators to determine if adjustments to strategic allocations are appropriate. More details on the Advisor’s review process are included below in Item 13 – Review of Accounts.

*Technical analysis* involves the analysis of past market data rather than specific company data in determining the recommendations made to clients. Technical analysis may involve the use of charts to identify market patterns and trends, which may be based on investor sentiment rather than the fundamentals of the company. The primary risk in using technical analysis is that spotting historical trends may not help to predict such trends in the future. Even if the trend will eventually reoccur, there is no guarantee that CIM will be able to accurately predict such a reoccurrence.

*Cyclical analysis* is similar to technical analysis in that it involves the analysis of market conditions at a macro (entire market/economy) or micro (company specific) level, rather than the overall fundamental analysis of the health of the particular company that CIM is recommending. The risks with cyclical analysis are similar to those of technical analysis.



*Charting analysis* utilizes various market indicators as investment selection criteria. These criteria are generally pricing trends that may indicate movement in the markets. Assets are deemed suitable if they meet certain criteria to indicate that they are a strong investment with a value discounted by the market. While this type of analysis helps the Advisor in evaluating a potential investment, it does not guarantee that the investment will increase in value. Assets meeting the investment criteria utilized in the technical and charting analysis may lose value and may have negative investment performance. The Advisor monitors these market indicators to determine if adjustments to strategic allocations are appropriate.

As noted above, CIM generally employs a long-term investment strategy for its Clients, as consistent with their financial goals. CIM will typically hold all or a portion of a security for more than a year but may hold for shorter periods for the purpose of rebalancing a portfolio, tax planning, or meeting the cash needs of Clients. At times, CIM may also buy and sell positions that are more short-term in nature, depending on the goals of the Client and/or the fundamentals of the security, sector or asset class.

## **B. Risk of Loss**

Investing in securities involves certain investment risks. Securities may fluctuate in value or lose value. Clients should be prepared to bear the potential risk of loss. CIM will assist Clients in determining an appropriate strategy based on their tolerance for risk and other factors noted above. However, there is no guarantee that a Client will meet their investment goals. Please see Item 8.B. for risks associated with the Advisor's investment strategies as well as general risks of investing.

While the methods of analysis help the Advisor in evaluating a potential investment, it does not guarantee that the investment will increase in value. Assets meeting the investment criteria utilized in these methods of analysis may lose value and may have negative investment performance. The Advisor monitors these economic indicators to determine if adjustments to strategic allocations are appropriate. More details on the Advisor's review process are included below in Item 13 – Review of Accounts.

Each Client engagement will entail a review of the Client's investment goals, financial situation, time horizon, tolerance for risk and other factors to develop an appropriate strategy for managing a Client's account. Client participation in this process, including full and accurate disclosure of requested information, is essential for the analysis of a Client's account[s]. The Advisor shall rely on financial and other information provided by the Client or their designees without the duty or obligation to validate the accuracy and completeness of the provided information. It is the responsibility of the Client to inform the Advisor of any changes in financial condition, goals or other factors that may affect this analysis.

The risks associated with a particular strategy are provided to each Client in advance of investing Client accounts. The Advisor will work with each Client to determine their tolerance for risk as part of the portfolio construction process. Following are some of the risks associated with the Advisor's investment approach:

### Market Risks

The value of a Client's holdings may fluctuate in response to events specific to companies or markets, as well as economic, political, or social events in the U.S. and abroad. This risk is linked to the performance of the overall financial markets.

### ETF Risks

The performance of ETFs is subject to market risk, including the possible loss of principal. The price of the ETFs will fluctuate with the price of the underlying securities that make up the funds. In addition, ETFs have a trading risk based on the loss of cost efficiency if the ETFs are traded actively and a liquidity risk if the ETFs has a large bid-ask spread and low trading volume. The price of an ETF fluctuates based upon the market movements and may dissociate from the index being tracked by the ETF or the price of the underlying investments. An ETF purchased or sold at one point in the day may have a different price than the same ETF purchased or sold a short time later. There is also a risk that Authorized Participants are unable to fulfill their responsibilities. Authorized Participants are one of the major parties involved with ETF creation/redemption mechanism in the markets. The Authorized Participants play a critical role in the liquidity of ETFs and essentially have the exclusive right to change the supply of ETF shares in the market. If the Authorized Participants does not fulfill this expected role, there could be an adverse impact on liquidity and the valuation of an ETF.

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### Bond ETFs

Bond ETFs are subject to specific risks, including the following: (1) interest rate risks, i.e. the risk that bond prices will fall if interest rates rise, and vice versa, the risk depends on two things, the bond's time to maturity, and the coupon rate of the bond, (2) reinvestment risk, i.e. the risk that any profit gained must be reinvested at a lower rate than was previously being earned, (3) inflation risk, i.e. the risk that the cost of living and inflation increase at a rate that exceeds the income investment thereby decreasing the investor's rate of return, (4) credit default risk, i.e. the risk associated with purchasing a debt instrument which includes the possibility of the company defaulting on its repayment obligation, (5) rating downgrades, i.e., the risk associated with a rating agency's downgrade of the company's rating which impacts the investor's confidence in the company's ability to repay its debt and (6) liquidity risks, i.e., the risk that a bond may not be sold as quickly as there is no readily available market for the bond.

### Buffer ETFs

Buffer ETFs obtain synthetic exposure to an index by buying and selling options. The fund creates a downside buffer by purchasing a put option which gives it the right to sell its exposure if the index declines in value. This is typically the most expensive part of the strategy, and it necessitates the fund to sell options to finance the purchase of this put. Typically, the fund will sell both a call option (which caps its upside potential) and a put option with a strike price lower than the put purchased (which resumes downside participation).

The fund has important implications: First, the exposure to the index is limited to price returns (dividends are not included). Second, downside protection is only "buffered," not eliminated. When the referenced index falls below the downside buffer, the fund will resume participating in the losses as a result of the put sold. In other words, if the index declines 27% during the outcome period and the fund has a 10% buffer, an investor will experience a roughly 17% loss (management fees will subtract slightly more). Third, the fund's upside is capped through the sale of the call option at whatever level generates sufficient additional income to offset the purchase of the put. Consequently, for less downside protection, investors retain more upside potential. Finally, the strategies employed by buffer ETFs will generally cause these funds to exhibit greater potential for loss than a potential for gain. In other words, by capping the upside, investors miss out on gains that exceed the upside cap, but they still participate in all downside losses minus the buffer.

### Mutual Fund Risks

The performance of mutual funds is subject to market risk, including the possible loss of principal. The price of the mutual funds will fluctuate with the value of the underlying securities that make up the funds. The price of a mutual fund is typically set daily therefore a mutual fund purchased at one point in the day will typically have the same price as a mutual fund purchased later that same day.

### Options Contracts

Investments in options contracts have the risk of losing value in a relatively short period of time. Option contracts are leveraged instruments that allow the holder of a single contract to control many shares of an underlying stock. This leverage can compound gains or losses. The Advisor only uses covered options as a risk mitigation strategy.

### Real Estate Investment Trusts ("REITs")

Investing in Real Estate Investment Trusts ("REITs") involves certain distinct risks in addition to those risks associated with investing in the real estate industry in general, such as leasing demand, lease rates, property values and other factors. For example, equity REITs may be affected by changes in the value of the underlying properties owned by the REITs, while mortgage REITs may be affected by the quality of credit extended. REITs are subject to heavy cash flow dependency, default by borrowers and self-liquidation. REITs, especially mortgage REITs, are also subject to interest rate risk (i.e., as interest rates rise, the value of the REIT may decline). Also a REIT is valued based on the underlying real estate holdings or related holdings, a REIT may become illiquid [having a limited market to sell] or its underlying assets may be liquidated by the issuer.

### Oil and Gas Interests

Investing oil and gas interest whether directly or as part of a fund/ETF involves distinct risks. The price of oil and gas interests may fluctuate to a greater degree than other securities and contain additional risks based on the supply and demand for oil and gas. Some of these additional risks include the ability to obtain reliable oil and gas supply, regulatory changes, oil and gas reserve estimates, the ability to locate markets for oil and gas, fluctuations in prices. The values of oil and gas interests are subject to market risk by a range of variables that could cause trends to differ materially.

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**Past performance is not a guarantee of future returns. Investing in securities and other investments involve a risk of loss that each Client should understand and be willing to bear. Clients are reminded to discuss these risks with the Advisor.**

## **Item 9 – Disciplinary Information**

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**There are no legal, regulatory or disciplinary events involving CIM or its owners.** CIM values the trust Clients place in the Advisor. CIM encourages Clients to perform the requisite due diligence on any advisor or service provider that the Client engages. The backgrounds of the Advisor or Advisory Persons are available on the Investment Adviser Public Disclosure website at [www.adviserinfo.sec.gov](http://www.adviserinfo.sec.gov) by searching by with the Advisor's firm name or CRD# 298122.

**Notice to Massachusetts Clients:** The Client may also obtain information relating to the disciplinary history of any investment advisor representative conducting business in Massachusetts by contacting the Commonwealth of Massachusetts Securities Division at (617) 727-3548.

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

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### Insurance Agency Affiliations

As noted in Item 5, the Advisor is affiliated with Catalyst Insurance and certain Advisory Persons serve as insurance professionals. Implementations of insurance recommendations are separate and apart from one's role with CIM. Advisory Persons and Catalyst Insurance will receive customary commissions and other related revenues from the various insurance companies whose products are sold. Commissions generated by insurance sales do not offset regular advisory fees. This practice presents a conflict of interest in recommending certain products of the insurance companies for the purpose of generating commissions instead of a Client's best interest. Clients are under no obligation to implement any recommendations made by Mr. Shea or the Advisor.

### Real Estate Affiliations

Mr. Shea is also a licensed real estate agent. Implementations of real estate transactions are separate and apart from Mr. Shea's role with CIM. As a real estate professional, Mr. Shea may receive customary real estate commissions from real estate transactions. Clients are under no obligation to utilize Mr. Shea or the Advisor for any real estate transaction. At no time will Mr. Shea offer real estate investment opportunities to Clients where Mr. Shea has an ownership interest.

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

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

CIM has implemented a Code of Ethics (the "Code") that defines the Advisor's fiduciary commitment to each Client. The Code applies to all persons associated with CIM ("Supervised Persons"). The Code was developed to provide general ethical guidelines and specific instructions regarding the Advisor's duties to the Client. CIM and its Supervised Persons owe a duty of loyalty, fairness and good faith towards each Client. It is the obligation of CIM's Supervised Persons to adhere not only to the specific provisions of the Code, but also to the general principles that guide the Code. The Code covers a range of topics that address employee ethics and conflicts of interest. To request a copy of the Code, please contact the Advisor at (603) 952-1209 or via email at [info@catalystinvestmentmanagement.com](mailto:info@catalystinvestmentmanagement.com).

### **B. Personal Trading with Material Interest**

CIM allows Supervised Persons to purchase or sell the same securities that may be recommended to and purchased on behalf of Clients. CIM does not act as principal in any transactions. In addition, the Advisor does not act as the general partner of a fund or advise an investment company. CIM does not have a material interest in any securities traded in Client accounts.

### **C. Personal Trading in Same Securities as Clients**

CIM allows Supervised Persons to purchase or sell the same securities that may be recommended to and purchased on behalf of Clients. Owning the same securities that are recommended (purchase or sell) to Clients

presents a conflict of interest that, as fiduciaries, must be disclosed to Clients and mitigate through policies and procedures. As noted above, the Advisor has adopted the Code to address insider trading (material non-public information controls); gifts and entertainment; outside business activities and personal securities reporting. When trading for personal accounts, Supervised Persons have a conflict of interest if trading in the same securities. The fiduciary duty to act in the best interest of its Clients can be violated if personal trades are made with more advantageous terms than Client trades, or by trading based on material non-public information. This risk is mitigated by CIM requiring reporting of personal securities trades by its Supervised Persons for review by the Chief Compliance Officer ("CCO") by conducting a coordinated review of personal accounts and the accounts of the Clients. The Advisor has also adopted written policies and procedures to detect the misuse of material, non-public information.

#### **D. Personal Trading at Same Time as Client**

While CIM allows Supervised Persons to purchase or sell the same securities that may be recommended to and purchased on behalf of Clients, such trades are typically aggregated with Client orders or traded afterward. **At no time will CIM, or any Supervised Person of CIM, transact in any security to the detriment of any Client.**

### **Item 12 – Brokerage Practices**

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#### **A. Recommendation of Custodian[s]**

CIM does not have discretionary authority to select the broker-dealer/custodian for custody and execution services. The Client will engage the broker-dealer/custodian (herein the "Custodian") to safeguard Client assets and authorize CIM to direct trades to the Custodian as agreed upon in the investment advisory agreement. Further, CIM does not have the discretionary authority to negotiate commissions on behalf of Clients on a trade-by-trade basis.

Where CIM does not exercise discretion over the selection of the Custodian, it may recommend the Custodian to Clients. Clients are not obligated to use the Custodian recommended by CIM and will not incur any extra fee or cost associated with using a broker-dealer/custodian not recommended by CIM. However, the Advisor may be limited in the services it can provide if the recommended Custodian is not engaged. CIM may recommend the Custodian based on criteria such as, but not limited to, reasonableness of commissions charged to the Client, services made available to the Client, the reputation of the Custodian, and/or the location of the Custodian's offices. CIM will generally recommend that Clients establish their account[s] at Charles Schwab & Co., Inc. ("Schwab"), a FINRA-registered broker-dealer and member SIPC. Schwab will serve as the Client's "qualified custodian". CIM maintains an institutional relationship with Schwab, whereby the Advisor receives economic benefits from Schwab. Please see Item 14 below.

Following are additional details regarding the brokerage practices of the Advisor:

**1. Soft Dollars** - Soft dollars are revenue programs offered by broker-dealers/custodians whereby an advisor enters into an agreement to place security trades with a broker-dealer/custodian in exchange for research and other services. **CIM does not participate in soft dollar programs sponsored or offered by any broker-dealer/custodian. However, the Advisor receives certain economic benefits from Schwab. Please see Item 14 below.**

**2. Brokerage Referrals** - CIM does not receive any compensation from any third party in connection with the recommendation for establishing an account.

**3. Directed Brokerage** - All Clients are serviced on a "directed brokerage basis", where CIM will place trades within the established account[s] at the Custodian designated by the Client. Further, all Client accounts are traded within their respective account[s]. The Advisor will not engage in any principal transactions (i.e., trade of any security from or to the Advisor's own account) or cross transactions with other Client accounts (i.e., purchase of a security into one Client account from another Client's account[s]). CIM will not be obligated to select competitive bids on securities transactions and does not have an obligation to seek the lowest available transaction costs. These costs are determined by the Custodian. The Advisor may not be able to aggregate orders to reduce transaction costs in a Client directed brokerage account. Directing brokerage may result in increased costs to Clients.

## **B. Aggregating and Allocating Trades**

The primary objective in placing orders for the purchase and sale of securities for Client accounts is to obtain the most favorable net results taking into account such factors as 1) price, 2) size of the order, 3) difficulty of execution, 4) confidentiality and 5) skill required of the Custodian. CIM will execute its transactions through the Custodian as authorized by the Client. CIM may aggregate orders in a block trade or trades when securities are purchased or sold through the Custodian for multiple (discretionary) accounts in the same trading day. If a block trade 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 in a manner that is consistent with the initial pre-allocation or other written statement. This must be done in a way that does not consistently advantage or disadvantage any particular Clients' accounts.

## **Item 13 – Review of Accounts**

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### **A. Frequency of Reviews**

Securities in Client accounts are monitored on a regular and continuous basis by Nicholas Shea, Chief Compliance Officer of CIM. Formal reviews are generally conducted at least annually or more frequently depending on the needs of the Client.

### **B. Causes for Reviews**

In addition to the investment monitoring noted in Item 13.A., each Client account shall be reviewed at least annually. Reviews may be conducted more frequently at the Client's request. Accounts may be reviewed as a result of major changes in economic conditions, known changes in the Client's financial situation, and/or large deposits or withdrawals in the Client's account[s]. The Client is encouraged to notify CIM if changes occur in the Client's personal financial situation that might adversely affect the Client's investment plan. Additional reviews may be triggered by material market, economic or political events.

### **C. Review Reports**

The Client will receive brokerage statements no less than quarterly from the Custodian. These brokerage statements are sent directly from the Custodian to the Client. The Client may also establish electronic access to the Custodian's website so that the Client may view these reports and their account activity. Client brokerage statements will include all positions, transactions and fees relating to the Client's account[s]. The Advisor may also provide Clients with periodic reports regarding their holdings, allocations, and performance.

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

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### **A. Compensation Received by CIM**

#### Participation in Institutional Advisor Platform

CIM has established an institutional relationship with Schwab through its "Schwab Advisor Services" unit, a division of Schwab dedicated to serving independent advisory firms like CIM. As a registered investment advisor participating on the Schwab Advisor Services platform, CIM receives access to software and related support without cost because the Advisor renders investment management services to Clients that maintain assets at Schwab. Services provided by Schwab Advisor Services benefit the Advisor and many, but not all services provided by Schwab will benefit Clients. In fulfilling its duties to its Clients, the Advisor endeavors at all times to put the interests of its Clients first. Clients should be aware, however, that the receipt of economic benefits from a custodian creates a conflict of interest since these benefits may influence the Advisor's recommendation of this custodian over one that does not furnish similar software, systems support, or services.

*Services that Benefit the Client* – Schwab's institutional brokerage services include access to a broad range of investment products, execution of securities transactions, and custody of Client's funds and securities. Through Schwab, the Advisor may be able to access certain investments and asset classes that the Client would not be able to obtain directly or through other sources. Further, the Advisor may be able to invest in certain mutual funds and other investments without having to adhere to investment minimums that might be required if the Client were to directly access the investments.

*Services that May Indirectly Benefit the Client* – Schwab provides participating advisors with access to technology, research, discounts and other services. In addition, the Advisor receives duplicate statements for Client accounts,

the ability to deduct advisory fees, trading tools, and back office support services as part of its relationship with Schwab. These services are intended to assist the Advisor in effectively managing accounts for its Clients but may not directly benefit all Clients.

*Services that May Only Benefit the Advisor* – Schwab also offers other services and support to CIM that may not benefit the Client, including educational conferences and events, financial start-up support, consulting services and discounts for various service providers. Access to these services creates a financial incentive for the Advisor to recommend Schwab, which results in a conflict of interest. CIM believes, however, that the selection of Schwab as Custodian is in the best interests of its Clients.

#### **B. Client Referrals from Promoters**

CIM does not engage paid or unpaid promoters for Client referrals.

#### **Item 15 – Custody**

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CIM does not accept or maintain custody of any Client accounts, except for the authorized deduction of the Advisor's fees. All Clients must place their assets with a "qualified custodian". Clients are required to engage the Custodian to retain their funds and securities and direct CIM to utilize the Custodian for the Client's security transactions. Clients should review statements provided by the Custodian and compare to any reports provided by CIM to ensure accuracy, as the Custodian does not perform this review. For more information about custodians and brokerage practices, see Item 12 – Brokerage Practices.

If the Client gives the Advisor authority to move money from one account to another account, the Advisor may have custody of those assets. In order to avoid additional regulatory requirements, the Custodian and the Advisor have adopted safeguards to ensure that the money movements are completed in accordance with the Client's instructions.

#### **Item 16 – Investment Discretion**

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CIM generally has discretion over the selection and amount of securities to be bought or sold in Client accounts without obtaining prior consent or approval from the Client. However, these purchases or sales may be subject to specified investment objectives, guidelines, or limitations previously set forth by the Client and agreed to by CIM.

Discretionary authority will only be authorized upon full disclosure to the Client. The granting of such authority will be evidenced by the Client's execution of an investment advisory agreement containing all applicable limitations to such authority. All discretionary trades made by CIM will be in accordance with each Client's investment objectives and goals.

#### **Item 17 – Voting Client Securities**

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CIM does not accept proxy-voting responsibility for any Client. Clients will receive proxy statements directly from the Custodian. The Advisor will assist in answering questions relating to proxies, however, the Client retains the sole responsibility for proxy decisions and voting. Clients can contact the Advisor at (603) 952-1209 or by email at [info@catalystinvestmentmanagement.com](mailto:info@catalystinvestmentmanagement.com) regarding questions related to their proxies.

#### **Item 18 – Financial Information**

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Neither CIM, nor its owners, have any adverse financial situations that would reasonably impair the ability of CIM to meet all obligations to its Clients. Neither CIM, nor any of its Advisory Persons, have been subject to a bankruptcy or financial compromise. CIM is not required to deliver a balance sheet along with this Disclosure Brochure as the Advisor does not collect advance fees of \$1,200 or more for services to be performed six months or more in the future.

# Catalyst Investment Management, LLC

## Form ADV Part 2A – Appendix 1 (“Wrap Fee Program Brochure”)

**Effective: February 21, 2023**

This Form ADV2A - Appendix 1 (“Wrap Fee Program Brochure”) provides information about the qualifications and business practices for Catalyst Investment Management LLC (“CIM” or the “Advisor”) services when offering services pursuant to a wrap program. This Wrap Fee Program Brochure shall always be accompanied by CIM’s Form ADV 2A (“Disclosure Brochure”), which provides complete details on the business practices of the Advisor. If you did not receive the complete CIM Disclosure Brochure or you have any questions about the contents of this Wrap Fee Program Brochure or the Disclosure Brochure, please contact the Advisor at (603) 952-1209 or by email at [info@catalystinvestmentmanagement.com](mailto:info@catalystinvestmentmanagement.com).

CIM is a registered investment advisor with the U.S. Securities and Exchange Commission (“SEC”). The information in this Wrap Fee Program Brochure has not been approved or verified by the SEC or by any state securities authority. Registration of an investment advisor does not imply any specific level of skill or training. This Wrap Fee Program Brochure provides information about CIM to assist you in determining whether to retain the Advisor.

Additional information about CIM and its Advisory Persons are available on the SEC’s website at [www.adviserinfo.sec.gov](http://www.adviserinfo.sec.gov) by searching with the Advisor’s firm name or CRD# 298122.

## Item 2 – Material Changes

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Form ADV 2A - Appendix 1 provides information about a variety of topics relating to an Advisor’s business practices and conflicts of interest. In particular, this Wrap Fee Program Brochure discusses the Wrap Fee Program offered by the Advisor.

### Material Changes

The following material changes have been made to this Wrap Fee Program Brochure since the last filing and distribution to Clients:

- The Advisor is in the process of transitioning from registration with the State of Indiana to registration with the U.S. Securities and Exchange Commission (“SEC”), due to the level of assets under management.
- Item 6 has been updated to reflect the risks associated with buffer ETFs.

### Future Changes

From time to time, the Advisor may amend this Wrap Fee Program Brochure to reflect changes in business practices, changes in regulations or routine annual updates as required by the securities regulators. This complete Wrap Fee Program Brochure (along with the complete Disclosure Brochure) or a Summary of Material Changes shall be provided to you annually and if a material change occurs in the business practices of CIM.

At any time, you may view this Wrap Fee Program Brochure and the current Disclosure Brochure on-line at the SEC’s Investment Adviser Public Disclosure website at [www.adviserinfo.sec.gov](http://www.adviserinfo.sec.gov) by searching with the Advisor’s firm name or CRD# 298122. You may also request a copy of this Disclosure Brochure at any time, by contacting the Advisor at (603) 952-1209 or by email at [info@catalystinvestmentmanagement.com](mailto:info@catalystinvestmentmanagement.com).

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## **Item 4 – Services Fees and Compensation**

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### **A. Services**

CIM provides customized investment advisory services for its Clients. This Form ADV 2A - Appendix 1 (“Wrap Fee Program Brochure”) is provided as a supplement to the Form ADV 2A (“Disclosure Brochure”). This Wrap Fee Program Brochure is provided along with the complete Disclosure Brochure to provide full details of the business practices and fees when selecting CIM as an investment advisor.

As part of the investment advisory fees noted in Item 5 – Fees and Compensation of the Disclosure Brochure, CIM includes applicable securities transaction fees, custodial costs, administrative fees, ACAT fees, and other fees and expenses (herein “Covered Costs”) as part of the overall investment advisory fee. Securities regulations often refer to this combined fee structure as a “Wrap Fee Program”. The Advisor sponsors the CIM Wrap Fee Program.

The sole purpose of this Wrap Fee Program Brochure is to provide additional disclosure relating the combination of Covered Costs into the single “bundled” investment advisory fee. This Wrap Fee Program Brochure references back to the Disclosure Brochure in which this Wrap Fee Program Brochure serves as an Appendix. **Please see Item 4 – Advisory Services of the Disclosure Brochure for details on CIM’s investment philosophy and related services.**

### **B. Program Costs**

Advisory services provided by CIM are offered in a wrap fee structure whereby Covered Costs are included in the overall investment advisory fee paid to CIM. As the level of trading and underlying investment selection in a Client’s account[s] may vary from year to year, the annual cost to the Client may be more or less than engaging for advisory services where Covered Costs are borne separately by the Client. The cost of the Wrap Fee Program varies depending on services to be provided to each Client, however, the Client is not charged more if there is higher trading activity and different underlying investments selected in the Client’s account[s]. A Wrap Fee Program structure has a conflict of interest as the Advisor has an incentive to limit the number of trades placed in the Client’s account[s] or to utilize securities that do not have transaction fees. The Advisor’s recommended Custodian does not charge securities transaction fees for exchange traded fund (“ETF”) and equity trades in a Client’s account, provided that the account meets the terms and conditions of the Custodian’s brokerage requirements. However, the Custodian typically charges for mutual funds and other types of investments. As such, the Advisor is incentivized to utilize ETFs and other equity securities to limit the overall cost to the Advisor. The Advisor will only place Client assets into a Wrap Fee Program when it is believed to be in the Client’s best interest.

Investment advisory fees are paid quarterly, in advance of each calendar quarter, pursuant to the terms of the investment advisory agreement. Investment advisory fees are based on the market value of assets under management at the end of the prior calendar quarter. Investment advisory fees range from 0.75% to 1.25% annually based on several factors, including: the complexity of the services to be provided, the level of assets to be managed, and the overall relationship with the Advisor. Relationships with multiple objectives, specific reporting requirements, portfolio restrictions and other complexities may be charged a higher fee.

The investment advisory fee in the first quarter of service is prorated from the inception date of the account[s] to the end of the first quarter. Fees may be negotiable at the sole discretion of the Advisor. The Client’s fees will take into consideration the aggregate assets under management with the Advisor. All securities held in accounts managed by CIM will be independently valued by the Custodian. CIM will conduct periodic reviews of the Custodian’s valuations.

Clients may make additions to and withdrawals from their account[s] at any time, subject to CIM’s right to terminate an account. Additions may be in cash or securities provided that CIM reserves the right to liquidate any transferred securities or decline to accept particular securities into a Client’s account[s]. Clients may withdraw account assets on notice to CIM, subject to the usual and customary securities settlement procedures. However, CIM designs its portfolios as long-term investments and the withdrawal of assets may impair the achievement of a Client’s investment objectives. CIM may consult with its Clients about the options and ramifications of transferring securities. However, Clients are advised that when transferred securities are liquidated, they are subject to transaction fees, fees assessed at the mutual fund level (i.e. contingent deferred sales charge) and/or tax ramifications.

### **C. Fees**

As noted above, the Wrap Fee Program includes Covered Costs incurred in connection with the discretionary investment management services provided by CIM.

Clients may incur certain fees or charges imposed by third parties in connection with investments made on behalf of the Client's account[s] which are not included as part of the Wrap Fee Program. All fees paid to CIM for investment advisory services or part of the Wrap Fee Program are separate and distinct from the expenses charged by mutual funds and exchange-traded funds to their shareholders, if applicable. These fees and expenses are described in each fund's prospectus. These fees and expenses will generally be used to pay management fees for the funds, other fund expenses, account administration (e.g., custody, brokerage and account reporting), and a possible distribution fee.

Fees related to Client-directed trades and account activity, such as electronic funds and wire transfers fees, certificate delivery fees, markups and markdowns, bid-ask spreads, selling concessions, and other miscellaneous fees and expenses as outlined in the account opening paperwork executed with the Custodian, are generally covered by the Advisor.

The Advisor does not control nor share in these fees. Clients are encouraged to review all fees charged by the fund[s], third parties and CIM to fully understand the total fees to be paid. Please see Item 5.C – Other Fees and Expenses in the Disclosure Brochure.

#### **D. Compensation**

CIM is the sponsor and portfolio manager of this Wrap Fee Program. CIM receives investment advisory fees paid by Clients for participating in the Wrap Fee Program and pays the Custodian for the costs associated with the normal trading activity in the Client's account[s].

### **Item 5 – Account Requirements and Types of Clients**

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CIM offers investment advisory services to individuals, high net worth, individuals, trusts, and estates. CIM generally does not impose a minimum account size for establishing a relationship. Please see Item 7 – Types of Clients of the Disclosure Brochure for additional information.

### **Item 6 – Portfolio Manager Selection and Evaluation**

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#### **Portfolio Manager Selection**

CIM serves as sponsor and as portfolio manager for the services under this Wrap Fee Program.

#### **Related Persons**

CIM personnel serve as portfolio managers for this Wrap Fee Program. CIM does not serve as a portfolio manager for any third-party Wrap Fee Programs.

#### **Performance-Based Fees**

CIM does not charge performance-based fees for its investment advisory services. The fees charged by CIM are as described in Item 5 – Fees and Compensation of the Disclosure Brochure and are not based upon the capital appreciation of the funds or securities held by any Client.

CIM does not manage any proprietary investment funds or limited partnerships (for example, a mutual fund or a hedge fund) and has no financial incentive to recommend any particular investment solutions to its Clients.

#### **Supervised Persons**

CIM Advisory Persons serve as portfolio managers for all accounts, including the services described in this Wrap Fee Program Brochure. Details of the advisory services provided are included in Item 4.A. of the Disclosure Brochure.

#### **Methods of Analysis**

Please see Item 8 of the Disclosure Brochure for details on the research and analysis methods employed by the Advisor.

#### **Risk of Loss**

Investing in securities involves certain investment risks. Securities may fluctuate in value or lose value. Clients should be prepared to bear the potential risk of loss. CIM will assist Clients in determining an appropriate strategy based on their tolerance for risk and other factors noted above. However, there is no guarantee that a Client will

meet their investment goals. Please see Item 8.B. for risks associated with the Advisor's investment strategies as well as general risks of investing.

While the methods of analysis help the Advisor in evaluating a potential investment, it does not guarantee that the investment will increase in value. Assets meeting the investment criteria utilized in these methods of analysis may lose value and may have negative investment performance. The Advisor monitors these economic indicators to determine if adjustments to strategic allocations are appropriate. More details on the Advisor's review process are included below in Item 13 – Review of Accounts.

Each Client engagement will entail a review of the Client's investment goals, financial situation, time horizon, tolerance for risk and other factors to develop an appropriate strategy for managing a Client's account. Client participation in this process, including full and accurate disclosure of requested information, is essential for the analysis of a Client's account[s]. The Advisor shall rely on financial and other information provided by the Client or their designees without the duty or obligation to validate the accuracy and completeness of the provided information. It is the responsibility of the Client to inform the Advisor of any changes in financial condition, goals or other factors that may affect this analysis.

The risks associated with a particular strategy are provided to each Client in advance of investing Client accounts. The Advisor will work with each Client to determine their tolerance for risk as part of the portfolio construction process. Following are some of the risks associated with the Advisor's investment approach:

#### Market Risks

The value of a Client's holdings may fluctuate in response to events specific to companies or markets, as well as economic, political, or social events in the U.S. and abroad. This risk is linked to the performance of the overall financial markets.

#### ETF Risks

The performance of ETFs is subject to market risk, including the possible loss of principal. The price of the ETFs will fluctuate with the price of the underlying securities that make up the funds. In addition, ETFs have a trading risk based on the loss of cost efficiency if the ETFs are traded actively and a liquidity risk if the ETFs has a large bid-ask spread and low trading volume. The price of an ETF fluctuates based upon the market movements and may dissociate from the index being tracked by the ETF or the price of the underlying investments. An ETF purchased or sold at one point in the day may have a different price than the same ETF purchased or sold a short time later. There is also a risk that Authorized Participants are unable to fulfill their responsibilities. Authorized Participants are one of the major parties involved with ETF creation/redemption mechanism in the markets. The Authorized Participants play a critical role in the liquidity of ETFs and essentially have the exclusive right to change the supply of ETF shares in the market. If the Authorized Participants does not fulfill this expected role, there could be an adverse impact on liquidity and the valuation of an ETF.

#### Bond ETFs

Bond ETFs are subject to specific risks, including the following: (1) interest rate risks, i.e. the risk that bond prices will fall if interest rates rise, and vice versa, the risk depends on two things, the bond's time to maturity, and the coupon rate of the bond, (2) reinvestment risk, i.e. the risk that any profit gained must be reinvested at a lower rate than was previously being earned, (3) inflation risk, i.e. the risk that the cost of living and inflation increase at a rate that exceeds the income investment thereby decreasing the investor's rate of return, (4) credit default risk, i.e. the risk associated with purchasing a debt instrument which includes the possibility of the company defaulting on its repayment obligation, (5) rating downgrades, i.e. the risk associated with a rating agency's downgrade of the company's rating which impacts the investor's confidence in the company's ability to repay its debt and (6) liquidity risks, i.e. the risk that a bond may not be sold as quickly as there is no readily available market for the bond.

#### Buffer ETFs

Buffer ETFs obtain synthetic exposure to an index by buying and selling options. The fund creates a downside buffer by purchasing a put option which gives it the right to sell its exposure if the index declines in value. This is typically the most expensive part of the strategy, and it necessitates the fund to sell options to finance the purchase of this put. Typically, the fund will sell both a call option (which caps its upside potential) and a put option with a strike price lower than the put purchased (which resumes downside participation).

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The fund has important implications: First, the exposure to the index is limited to price returns (dividends are not included). Second, downside protection is only “buffered,” not eliminated. When the referenced index falls below the downside buffer, the fund will resume participating in the losses as a result of the put sold. In other words, if the index declines 27% during the outcome period and the fund has a 10% buffer, an investor will experience a roughly 17% loss (management fees will subtract slightly more). Third, the fund’s upside is capped through the sale of the call option at whatever level generates sufficient additional income to offset the purchase of the put. Consequently, for less downside protection, investors retain more upside potential. Finally, the strategies employed by buffer ETFs will generally cause these funds to exhibit greater potential for loss than a potential for gain. In other words, by capping the upside, investors miss out on gains that exceed the upside cap, but they still participate in all downside losses minus the buffer.

#### Mutual Fund Risks

The performance of mutual funds is subject to market risk, including the possible loss of principal. The price of the mutual funds will fluctuate with the value of the underlying securities that make up the funds. The price of a mutual fund is typically set daily therefore a mutual fund purchased at one point in the day will typically have the same price as a mutual fund purchased later that same day.

#### Options Contracts

Investments in options contracts have the risk of losing value in a relatively short period of time. Option contracts are leveraged instruments that allow the holder of a single contract to control many shares of an underlying stock. This leverage can compound gains or losses. The Advisor only uses covered options as a risk mitigation strategy.

#### Real Estate Investment Trusts (“REITs”)

Investing in Real Estate Investment Trusts (“REITs”) involves certain distinct risks in addition to those risks associated with investing in the real estate industry in general, such as leasing demand, lease rates, property values and other factors. For example, equity REITs may be affected by changes in the value of the underlying properties owned by the REITs, while mortgage REITs may be affected by the quality of credit extended. REITs are subject to heavy cash flow dependency, default by borrowers and self-liquidation. REITs, especially mortgage REITs, are also subject to interest rate risk (i.e., as interest rates rise, the value of the REIT may decline). Also a REIT is valued based on the underlying real estate holdings or related holdings, a REIT may become illiquid [having a limited market to sell] or its underlying assets may be liquidated by the issuer.

#### Oil and Gas Interests

Investing oil and gas interest whether directly or as part of a fund/ETF involves distinct risks. The price of oil and gas interests may fluctuate to a greater degree than other securities and contain additional risks based on the supply and demand for oil and gas. Some of these additional risks include, the ability to obtain reliable oil and gas supply, regulatory changes, oil and gas reserve estimates, the ability to locate markets for oil and gas, and fluctuations in prices. The values of oil and gas interests are subject to market risk by a range of variables that could cause trends to differ materially.

**Past performance is not a guarantee of future returns. Investing in securities and other investments involve a risk of loss that each Client should understand and be willing to bear. Clients are reminded to discuss these risks with the Advisor. Please see Item 8.B. – Risk of Loss of the Disclosure Brochure for details on investment risks.**

#### **Proxy Voting**

CIM does not accept proxy-voting responsibility for any Client. Clients will receive proxy statements directly from the Custodian. The Advisor will assist in answering questions relating to proxies, however, the Client retains the sole responsibility for proxy decisions and voting.

#### **Item 7 – Client Information Provided to Portfolio Managers**

CIM is the sponsor and sole portfolio manager for the Program. The Advisor does not share Client information with other portfolio managers because it is the sole portfolio manager for this Wrap Fee Program. Please also see the CIM Privacy Policy (included after this Wrap Fee Program Brochure).

## **Item 8 – Client Contact with Portfolio Managers**

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CIM is a full-service investment management advisory firm. Clients always have direct access to the Portfolio Managers at CIM.

## **Item 9 – Additional Information**

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### **A. Disciplinary Information and Other Financial Industry Activities and Affiliations**

**There are no legal, regulatory, or disciplinary events involving CIM or its owners.** CIM values the trust Clients place in the Advisor. The Advisor encourages Clients to perform the requisite due diligence on any advisor or service provider with whom the Client engages. The backgrounds of the Advisor and its Advisory Persons are available on the Investment Adviser Public Disclosure website at [www.adviserinfo.sec.gov](http://www.adviserinfo.sec.gov) by searching by with the Advisor's firm name or CRD# 298122.

**Notice to Massachusetts Clients:** The Client may also obtain information relating to the disciplinary history of any investment advisor representative conducting business in Massachusetts by contacting the Commonwealth of Massachusetts Securities Division at (617) 727-3548.

Please see Item 9 – Disciplinary Information of the Disclosure Brochure as well as Item 3 of each Advisory Person's Brochure Supplement (included with this Wrap Fee Program Brochure) for additional information on how to research the background of the Advisor and its Advisory Persons.

#### Other Financial Activities and Affiliations

Please see Items 10 – Financial Industry Activities and Affiliations and Item 14 – Other Compensation and Client Referrals of the Disclosure Brochure.

### **B. Code of Ethics, Review of Accounts, Client Referrals, and Financial Information**

CIM has implemented a Code of Ethics that defines our fiduciary commitment to each Client. This Code of Ethics applies to all persons subject to CIM's compliance program (our "Supervised Persons"). Complete details on the CIM Code of Ethics can be found under Item 11 – Code of Ethics, Participation in Client Transactions and Personal Trading of the Disclosure Brochure.

#### Review of Accounts

Securities in Client accounts are monitored on a regular and continuous basis by Nicholas Shea, Chief Compliance Officer of CIM. Details of the review policies and practices are provided in Item 13 of the Form ADV Part 2A – Disclosure Brochure.

#### Other Compensation

##### Participation in Institutional Advisor Platform

CIM has established an institutional relationship with Schwab through its "Schwab Advisor Services" unit, a division of Schwab dedicated to serving independent advisory firms like CIM. As a registered investment advisor participating on the Schwab Advisor Services platform, CIM receives access to software and related support without cost because the Advisor renders investment management services to Clients that maintain assets at Schwab. Services provided by Schwab Advisor Services benefit the Advisor and many, but not all services provided by Schwab will benefit Clients. In fulfilling its duties to its Clients, the Advisor endeavors at all times to put the interests of its Clients first. Clients should be aware, however, that the receipt of economic benefits from a custodian creates a conflict of interest since these benefits may influence the Advisor's recommendation of this custodian over one that does not furnish similar software, systems support, or services.

*Services that Benefit the Client* – Schwab's institutional brokerage services include access to a broad range of investment products, execution of securities transactions, and custody of Client's funds and securities. Through Schwab, the Advisor may be able to access certain investments and asset classes that the Client would not be able to obtain directly or through other sources. Further, the Advisor may be able to invest in certain mutual funds and other investments without having to adhere to investment minimums that might be required if the Client were to directly access the investments.

*Services that May Indirectly Benefit the Client* – Schwab provides participating advisors with access to technology, research, discounts and other services. In addition, the Advisor receives duplicate statements for Client accounts,

the ability to deduct advisory fees, trading tools, and back office support services as part of its relationship with Schwab. These services are intended to assist the Advisor in effectively managing accounts for its Clients but may not directly benefit all Clients.

*Services that May Only Benefit the Advisor* – Schwab also offers other services and support to CIM that may not benefit the Client, including educational conferences and events, financial start-up support, consulting services and discounts for various service providers. Access to these services creates a financial incentive for the Advisor to recommend Schwab, which results in a conflict of interest. CIM believes, however, that the selection of Schwab as Custodian is in the best interests of its Clients.

Please see Item 14 – Other Compensation of the Disclosure Brochure for details on additional compensation that may be received by CIM or its Advisory Persons. Each Advisory Person’s Brochure Supplement (also included with this Wrap Fee Program Brochure) provides details on any outside business activities and the associated compensation.

#### Client Referrals from Solicitors

CIM does not engage paid solicitors for Client referrals.

#### Financial Information

Neither CIM, nor its owners, have any adverse financial situations that would reasonably impair the ability of CIM to meet all obligations to its Clients. Neither CIM, nor any of its Advisory Persons, have been subject to a bankruptcy or financial compromise. CIM is not required to deliver a balance sheet along with this Disclosure Brochure as the Advisor does not collect advance fees of \$500 or more for services to be performed six months or more in the future.

# **Form ADV Part 2B – Brochure Supplement**

**for**

**Nicholas J. Shea  
Managing Member and Chief Compliance Officer**

**Effective: February 21, 2023**

This Form ADV 2B (“Brochure Supplement”) provides information about the background and qualifications of Nicholas J. Shea (CRD# 1308350) in addition to the information contained in the Catalyst Investment Management, LLC (“CIM” or the “Advisor”, CRD# 298122) Disclosure Brochure. If you have not received a copy of the Disclosure Brochure or if you have any questions about the contents of the CIM Disclosure Brochure or this Brochure Supplement, please contact the Advisor at (603) 952-1209 or by email at [info@cim.financial](mailto:info@cim.financial).

Additional information about Mr. Shea is available on the SEC’s Investment Adviser Public Disclosure website at [www.adviserinfo.sec.gov](http://www.adviserinfo.sec.gov) by searching with his full name or Individual CRD# 1308350.

## Item 2 – Educational Background and Business Experience

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Nicholas J. Shea, born in 1960, is dedicated to advising Clients of CIM as its Managing Member and Chief Compliance Officer. Mr. Shea earned a Master of Business Administration from the University of Notre Dame in 2004. Mr. Shea also earned a Bachelor of Arts from Occidental College in 1983. Additional information regarding Mr. Shea's employment history is included below.

### Employment History:

Managing Member and Chief Compliance Officer, Catalyst Investment Management, LLC	07/2018 to Present
Owner, Catalyst Insurance, LLC	04/2018 to Present
Independent Agent, United Healthcare	06/2017 to Present
Commercial Agent, Keller Williams Realty	11/2018 to Present
Registered Representative, Private Client Services	02/2019 to 05/2019
Associate, Shea Commercial Properties	04/2017 to 10/2018
Vice President, Charles Schwab and Co., Inc.	11/2010 to 02/2017

## Item 3 – Disciplinary Information

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***There are no legal, civil, or disciplinary events to disclose regarding Mr. Shea.*** Mr. Shea has never been involved in any regulatory, civil, or criminal action. There have been no client complaints, lawsuits, arbitration claims, or administrative proceedings against Mr. Shea.

Securities laws require an advisor to disclose any instances where the advisor or its advisory persons have been found liable in a legal, regulatory, civil, or arbitration matter that alleges violation of securities and other statutes; fraud; false statements or omissions; theft, embezzlement or wrongful taking of property; bribery, forgery, counterfeiting, or extortion; and/or dishonest, unfair, or unethical practices. ***As previously noted, there are no legal, civil, or disciplinary events to disclose regarding Mr. Shea.***

However, the Advisor does encourage you to independently view the background of Mr. Shea on the Investment Adviser Public Disclosure website at [www.adviserinfo.sec.gov](http://www.adviserinfo.sec.gov) by searching with his full name or Individual CRD# 1308350.

## Item 4 – Other Business Activities

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### Insurance Agency Affiliations

Mr. Shea serves as an owner and a licensed insurance professional of Catalyst Insurance, LLC ("Catalyst Insurance"), an affiliated insurance agency under common ownership and control with the Advisor. Implementations of insurance recommendations are separate and apart from Mr. Shea's role with CIM. Mr. Shea will receive customary commissions and other related revenues from the various insurance companies whose products are sold. Commissions generated by insurance sales do not offset regular advisory fees. This practice presents a conflict of interest in recommending certain products of the insurance companies. Clients are under no obligation to implement any recommendations made by Mr. Shea or the Advisor.

### Real Estate Affiliations

Mr. Shea is also a licensed real estate agent. Implementations of real estate transactions are separate and apart from Mr. Shea's role with CIM. As a real estate professional, Mr. Shea may receive customary real estate commissions from real estate transactions. Clients are under no obligation to utilize Mr. Shea or the Advisor for any real estate transaction. At no time will Mr. Shea offer real estate investment opportunities to Clients where Mr. Shea has an ownership interest.

## Item 5 – Additional Compensation

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Mr. Shea has additional business activities where compensation is received that are detailed in Item 4 above.

## Item 6 – Supervision

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Mr. Shea serves as the Managing Member and Chief Compliance Officer of CIM. Mr. Shea can be reached at (603) 952-1209.



CIM has implemented a Code of Ethics, an internal compliance document that guides each Supervised Person in meeting their fiduciary obligations to Clients of CIM. Further, CIM is subject to regulatory oversight by various agencies. These agencies require registration by CIM and its Supervised Persons. As a registered entity, CIM is subject to examinations by regulators, which may be announced or unannounced. CIM is required to periodically update the information provided to these agencies and to provide various reports regarding the business activities and assets of the Advisor.

# Form ADV Part 2B – Brochure Supplement

for

**Kimberly A. Quinn, CFP®**  
**Partner**

**Effective: February 21, 2023**

This Form ADV 2B (“Brochure Supplement”) provides information about the background and qualifications of Kimberly A. Quinn, CFP®, (CRD# 2320442) in addition to the information contained in the Catalyst Investment Management, LLC (“CIM” or the “Advisor”, CRD# 298122) Disclosure Brochure. If you have not received a copy of the Disclosure Brochure or if you have any questions about the contents of the CIM Disclosure Brochure or this Brochure Supplement, please contact the Advisor at (603) 952-1209 or by email at [info@catalystinvestmentmanagement.com](mailto:info@catalystinvestmentmanagement.com).

Additional information about Mrs. Quinn is available on the SEC’s Investment Adviser Public Disclosure website at [www.adviserinfo.sec.gov](http://www.adviserinfo.sec.gov) by searching with her full name or Individual CRD# 2320442.

## Item 2 – Educational Background and Business Experience

Kimberly A. Quinn, CFP®, born in 1970, is dedicated to advising Clients of CIM as a Partner. Mrs. Quinn earned a Bachelor of Science in Business Management from Boston University in 1992. Additional information regarding Mrs. Quinn's employment history is included below.

### Employment History:

Partner, Catalyst Investment Management, LLC	06/2019 to Present
Registered Representative, LPL Financial, LLC	10/2015 to 06/2019
Director of Relationship Management, Coastal Capital Group, Inc.	10/2015 to 08/2016
Financial Advisor, Charles Schwab & Co., Inc.	06/1999 to 10/2015

### CERTIFIED FINANCIAL PLANNER™ (“CFP®”)

The CERTIFIED FINANCIAL PLANNER™, CFP® and federally registered CFP® (with flame design) marks (collectively, the “CFP® marks”) are professional certification marks granted in the United States by Certified Financial Planner Board of Standards, Inc. (“CFP® Board”).

The CFP® certification is a voluntary certification; no federal or state law or regulation requires financial planners to hold CFP® certification. It is recognized in the United States and a number of other countries for its (1) high standard of professional education; (2) stringent code of conduct and standards of practice; and (3) ethical requirements that govern professional engagements with clients. Currently, more than 71,000 individuals have obtained CFP® certification in the United States.

To attain the right to use the CFP® marks, an individual must satisfactorily fulfill the following requirements:

- *Education* – Complete an advanced college-level course of study addressing the financial planning subject areas that CFP® Board's studies have determined as necessary for the competent and professional delivery of financial planning services and attain a Bachelor's Degree from a regionally accredited United States college or university (or its equivalent from a foreign university). CFP® Board's financial planning subject areas include insurance planning and risk management, employee benefits planning, investment planning, income tax planning, retirement planning, and estate planning;
- *Examination* – Pass the comprehensive CFP® Certification Examination. The examination includes case studies and client scenarios designed to test one's ability to correctly diagnose financial planning issues and apply one's knowledge of financial planning to real world circumstances;
- *Experience* – Complete at least three years of full-time financial planning-related experience (or the equivalent, measured as 2,000 hours per year); and
- *Ethics* – Agree to be bound by CFP® Board's *Standards of Professional Conduct*, a set of documents outlining the ethical and practice standards for CFP® professionals.

Individuals who become certified must complete the following ongoing education and ethics requirements in order to maintain the right to continue to use the CFP® marks:

- *Continuing Education* – Complete 30 hours of continuing education hours every two years, including two hours on the *Code of Ethics* and other parts of the *Standards of Professional Conduct*, to maintain competence and keep up with developments in the financial planning field; and
- *Ethics* – Renew an agreement to be bound by the *Standards of Professional Conduct*. The *Standards* prominently require that CFP® professionals provide financial planning services at a fiduciary standard of care. This means CFP® professionals must provide financial planning services in the best interests of their clients.

CFP® professionals who fail to comply with the above standards and requirements may be subject to CFP® Board's enforcement process, which could result in suspension or permanent revocation of their CFP® certification.

## Item 3 – Disciplinary Information

**There are no legal, civil, or disciplinary events to disclose regarding Mrs. Quinn.** Mrs. Quinn has never been involved in any regulatory, civil, or criminal action. There have been no client complaints, lawsuits, arbitration claims, or administrative proceedings against Mrs. Quinn.

Securities laws require an advisor to disclose any instances where the advisor or its advisory persons have been found liable in a legal, regulatory, civil, or arbitration matter that alleges violation of securities and other statutes; fraud; false statements or omissions; theft, embezzlement or wrongful taking of property; bribery, forgery, counterfeiting, or extortion; and/or dishonest, unfair, or unethical practices. ***As previously noted, there are no legal, civil, or disciplinary events to disclose regarding Mrs. Quinn.***

However, the Advisor does encourage you to independently view the background of Mrs. Quinn on the Investment Adviser Public Disclosure website at [www.adviserinfo.sec.gov](http://www.adviserinfo.sec.gov) by searching with her full name or Individual CRD# 2320442.

#### **Item 4 – Other Business Activities**

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Mrs. Quinn is dedicated to the investment advisory activities of CIM's Clients. Mrs. Quinn does not have any other business activities.

#### **Item 5 – Additional Compensation**

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Mrs. Quinn is dedicated to the investment advisory activities of CIM's Clients. Mrs. Quinn does not receive any additional forms of compensation.

#### **Item 6 – Supervision**

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Mrs. Quinn serves as a Partner of CIM and is supervised by Nicholas Shea, the Chief Compliance Officer. Mr. Shea can be reached at (603) 952-1209. Mr. Shea conducts an annual review of Mrs. Quinn branch office to ensure she is adhering to the policies and procedures of CIM. Mr. Shea also reviews the trade blotter on a continuous basis to confirm that there is not front-running and Clients' account[s] are being managed based on their risk level. On a monthly basis, Mr. Shea receives and reviews the monthly statement for each Client.

CIM has implemented a Code of Ethics, an internal compliance document that guides each Supervised Person in meeting their fiduciary obligations to Clients of CIM. Further, CIM is subject to regulatory oversight by various agencies. These agencies require registration by CIM and its Supervised Persons. As a registered entity, CIM is subject to examinations by regulators, which may be announced or unannounced. CIM is required to periodically update the information provided to these agencies and to provide various reports regarding the business activities and assets of the Advisor.

## **Form ADV Part 2B – Brochure Supplement**

for

**Thomas B. McEnaney, CFP®  
Financial Planner**

**Effective: February 21, 2023**

This Form ADV 2B (“Brochure Supplement”) provides information about the background and qualifications of Thomas B. McEnaney, CFP®, (CRD# 1467923) in addition to the information contained in the Catalyst Investment Management, LLC (“CIM” or the “Advisor”, CRD# 298122) Disclosure Brochure. If you have not received a copy of the Disclosure Brochure or if you have any questions about the contents of the CIM Disclosure Brochure or this Brochure Supplement, please contact the Advisor at (603) 952-1209 or by email at [info@catalystinvestmentmanagement.com](mailto:info@catalystinvestmentmanagement.com).

Additional information about Mr. McEnaney is available on the SEC’s Investment Adviser Public Disclosure website at [www.adviserinfo.sec.gov](http://www.adviserinfo.sec.gov) by searching with his full name or Individual CRD# 1467923.

## Item 2 – Educational Background and Business Experience

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Thomas B. McEnaney, CFP®, born in 1961, is dedicated to advising Clients of CIM as a Financial Planner. Mr. McEnaney earned a Bachelor's in Business Administration from the University of Maine in 1985. Additional information regarding Mr. McEnaney's employment history is included below.

### Employment History:

Financial Planner, Catalyst Investment Management, LLC	10/2020 to Present
CFP Advisor, Maine Financial Advisors	09/2012 to 09/2020

### Certified Financial Planner™ (“CFP®”)

The Certified Financial Planner™, CFP®, and federally registered CFP® (with flame design) marks (collectively, the “CFP® marks”) are professional certification marks granted in the United States by Certified Financial Planner™ Board of Standards, Inc. (“CFP® Board”).

The CFP® certification is a voluntary certification; no federal or state law or regulation requires financial planners to hold CFP® certification. It is recognized in the United States and a number of other countries for its (1) high standard of professional education; (2) stringent code of conduct and standards of practice; and (3) ethical requirements that govern professional engagements with clients. Currently, more than 71,000 individuals have obtained CFP® certification in the United States.

To attain the right to use the CFP® marks, an individual must satisfactorily fulfill the following requirements:

- *Education* – Complete an advanced college-level course of study addressing the financial planning subject areas that CFP® Board's studies have determined as necessary for the competent and professional delivery of financial planning services and attain a Bachelor's Degree from a regionally accredited United States college or university (or its equivalent from a foreign university). CFP® Board's financial planning subject areas include insurance planning and risk management, employee benefits planning, investment planning, income tax planning, retirement planning, and estate planning;
- *Examination* – Pass the comprehensive CFP® Certification Examination. The examination includes case studies and client scenarios designed to test one's ability to correctly diagnose financial planning issues and apply one's knowledge of financial planning to real-world circumstances;
- *Experience* – Complete at least three years of full-time financial planning-related experience (or the equivalent, measured as 2,000 hours per year); and
- *Ethics* – Agree to be bound by CFP® Board's *Standards of Professional Conduct*, a set of documents outlining the ethical and practice standards for CFP® professionals.

Individuals who become certified must complete the following ongoing education and ethics requirements in order to maintain the right to continue to use the CFP® marks:

- *Continuing Education* – Complete 30 hours of continuing education hours every two years, including two hours on the *Code of Ethics* and other parts of the *Standards of Professional Conduct*, to maintain competence and keep up with developments in the financial planning field; and
- *Ethics* – Renew an agreement to be bound by the *Standards of Professional Conduct*. The *Standards* prominently require that CFP® professionals provide financial planning services at a fiduciary standard of care. This means CFP® professionals must provide financial planning services in the best interests of their clients.

CFP® professionals who fail to comply with the above standards and requirements may be subject to CFP® Board's enforcement process, which could result in suspension or permanent revocation of their CFP®.

## Item 3 – Disciplinary Information

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**There are no legal, civil, or disciplinary events to disclose regarding Mr. McEnaney.** Mr. McEnaney has never been involved in any regulatory, civil, or criminal action. There have been no client complaints, lawsuits, arbitration claims, or administrative proceedings against Mr. McEnaney.

Securities laws require an advisor to disclose any instances where the advisor or its advisory persons have been found liable in a legal, regulatory, civil, or arbitration matter that alleges violation of securities and other statutes;

fraud; false statements or omissions; theft, embezzlement or wrongful taking of property; bribery, forgery, counterfeiting, or extortion; and/or dishonest, unfair, or unethical practices. ***As previously noted, there are no legal, civil, or disciplinary events to disclose regarding Mr. McEnaney.***

However, we do encourage you to independently view the background of Mr. McEnaney on the Investment Adviser Public Disclosure website at [www.adviserinfo.sec.gov](http://www.adviserinfo.sec.gov) by searching with his full name or Individual CRD# 1467923.

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#### **Item 4 – Other Business Activities**

Mr. McEnaney is dedicated to the investment advisory activities of CIM's Clients. Mr. McEnaney does not have any other business activities.

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#### **Item 5 – Additional Compensation**

Mr. McEnaney is dedicated to the investment advisory activities of CIM's Clients. Mr. McEnaney does not receive any additional forms of compensation.

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#### **Item 6 – Supervision**

Mr. McEnaney serves as a Financial Planner of CIM and is supervised by Nicholas Shea, the Chief Compliance Officer. Mr. Shea can be reached at (603) 952-1209.

CIM has implemented a Code of Ethics, an internal compliance document that guides each Supervised Person in meeting their fiduciary obligations to Clients of CIM. Further, CIM is subject to regulatory oversight by various agencies. These agencies require registration by CIM and its Supervised Persons. As a registered entity, CIM is subject to examinations by regulators, which may be announced or unannounced. CIM is required to periodically update the information provided to these agencies and to provide various reports regarding the business activities and assets of the Advisor.

## Privacy Policy

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Effective: February 21, 2023

### Our Commitment to You

Catalyst Investment Management, LLC (“CIM” or the “Advisor”) is committed to safeguarding the use of personal information of our Clients (also referred to as “you” and “your”) that we obtain as your Investment Advisor, as described here in our Privacy Policy (“Policy”).

Our relationship with you is our most important asset. We understand that you have entrusted us with your private information, and we do everything that we can to maintain that trust. CIM (also referred to as “we”, “our” and “us”) protects the security and confidentiality of the personal information we have and implements controls to ensure that such information is used for proper business purposes in connection with the management or servicing of our relationship with you.

CIM does not sell your non-public personal information to anyone. Nor do we provide such information to others except for discrete and reasonable business purposes in connection with the servicing and management of our relationship with you, as discussed below.

Details of our approach to privacy and how your personal non-public information is collected and used are set forth in this Policy.

### Why you need to know?

Registered Investment Advisors (“RIAs”) must share some of your personal information in the course of servicing your account. Federal and State laws give you the right to limit some of this sharing and require RIAs to disclose how we collect, share, and protect your personal information.

### What information do we collect from you?

Driver’s license number	Date of birth
Social security or taxpayer identification number	Assets and liabilities
Name, address and phone number[s]	Income and expenses
E-mail address[es]	Investment activity
Account information (including other institutions)	Investment experience and goals

### What information do we collect from other sources?

Custody, brokerage and advisory agreements	Account applications and forms
Other advisory agreements and legal documents	Investment questionnaires and suitability documents
Transactional information with us or others	Other information needed to service account

### How do we protect your information?

To safeguard your personal information from unauthorized access and use we maintain physical, procedural and electronic security measures. These include such safeguards as secure passwords, encrypted file storage and a secure office environment. Our technology vendors provide security and access control over personal information and have policies over the transmission of data. Our associates are trained on their responsibilities to protect Client’s personal information.

We require third parties that assist in providing our services to you to protect the personal information they receive from us.



**How do we share your information?**

An RIA shares Client personal information to effectively implement its services. In the section below, we list some reasons we may share your personal information.

Basis For Sharing	Do we share?	Can you limit?
<p><b>Servicing our Clients</b> We may share non-public personal information with non-affiliated third parties (such as administrators, brokers, custodians, regulators, credit agencies, other financial institutions) as necessary for us to provide agreed upon services to you, consistent with applicable law, including but not limited to: processing transactions; general account maintenance; responding to regulators or legal investigations; and credit reporting.</p>	Yes	No
<p><b>Marketing Purposes</b> CIM does not disclose, and does not intend to disclose, personal information with non-affiliated third parties to offer you services. Certain laws may give us the right to share your personal information with financial institutions where you are a customer and where CIM or the client has a formal agreement with the financial institution. <b>We will only share information for purposes of servicing your accounts, not for marketing purposes.</b></p>	No	Not Shared
<p><b>Authorized Users</b> Your non-public personal information may be disclosed to you and persons that we believe to be your authorized agent[s] or representative[s].</p>	Yes	Yes
<p><b>Information About Former Clients</b> CIM does not disclose and does not intend to disclose, non-public personal information to non-affiliated third parties with respect to persons who are no longer our Clients.</p>	No	Not Shared

**State-specific Regulations**

<p><b>Massachusetts</b></p>	<p>In response to Massachusetts law, the Client must “opt-in” to share non-public personal information with non-affiliated third parties before any personal information is disclosed. Client opt-in is obtained through the Client’s execution of authorization forms provided by the third parties, by executing an Information Sharing Authorization Form, or by other written consent by the Client, as appropriate and consistent with applicable laws and</p>
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**Changes to our Privacy Policy**

We will send you a copy of this Policy annually for as long as you maintain an ongoing relationship with us.

Periodically we may revise this Policy and will provide you with a revised Policy if the changes materially alter the previous Privacy Policy. We will not, however, revise our Privacy Policy to permit the sharing of non-public personal information other than as described in this notice unless we first notify you and provide you with an opportunity to prevent the information sharing.

**Any Questions?**

You may ask questions or voice any concerns, as well as obtain a copy of our current Privacy Policy by contacting the Advisor at (603) 952-1209 or via email at [info@catalystinvestmentmanagement.com](mailto:info@catalystinvestmentmanagement.com).