

## Market Timers for IRAs and Brokerage Accounts

### Disclosures

July 31, 2024

Robert W. Colby Asset Management, Inc.

[www.ColbyAssetManagement.com](http://www.ColbyAssetManagement.com)

Before you invest, you want to review these disclosures, which contain more information about the program and its risks. **Please note:** This data sheet is for accounts managed by Robert W. Colby Asset Management—this is not information about the free Colby Market Timer Weekly Report--both use similar technology.

### Investment Objective:

The Colby Market Timers (*CMT*) seek to provide returns comparable to the Dow Jones Risk Indices in bull markets, and returns that exceed the Dow Jones Risk Indices in bear markets, targeting long-term outperformance of each risk index. The goal is to produce these returns with *less risk* and smaller draw downs, i.e. **Bear Market Protection**. There are five versions of the Market Timer based on the client's risk tolerance: Aggressive, Moderately Aggressive, Moderate, Moderately Conservative, and Conservative.

### Portfolio Turnover:

Clients pay transaction costs, such as commissions, when *CMT* buys and sells securities (or “turns over” its portfolio). A higher portfolio turnover rate may indicate higher transaction costs and may result in higher taxes (in brokerage accounts only, *not* IRA accounts). Taxes are not reflected in our performance data.

### Principal Investment Strategies:

*CMT* was designed to track the performance of the S&P 500<sup>®</sup> during bull markets, and to move to cash or short duration bonds in bear markets. There can be no assurance that future market behavior will resemble historical market behavior on which the *CMT* algorithm was developed.

### Portfolio:

*CMT* will hold a longer-term *long* position in Exchange Traded Funds (ETFs) that track the performance of the S&P 500<sup>®</sup>. *CMT* is currently trading a non-leveraged ETF, ticker symbol ‘SPY’ - SPDR<sup>®</sup> S&P 500<sup>®</sup> ETF (<https://www.ssga.com/us/en/institutional/etfs/funds/spdr-sp-500-etf-trust-spy>). SPY will have an allocation between 20% and 100% during bull markets (depending on the client's risk tolerance), and will be reduced to 0% during bear markets.

Investor Risk Tolerance	Maximum Exposure to S&P 500 <sup>®</sup> Index Fund in Bull Markets	Exposure to S&P 500 <sup>®</sup> Index Fund in Bear Markets
Aggressive	100%	0%
Moderately Aggressive	80%	0%
Moderate	60%	0%
Moderately Conservative	40%	0%
Conservative	20%	0%

Depending on the client's risk tolerance, *CMT* will also hold a longer-term *long* position in Exchange Traded Funds (ETFs) that track the performance of short-, medium-, or long-term Treasuries, depending on market conditions.

**Timing:** Colby reserves the right to begin investing clients' funds gradually, or immediately, depending on the current state of the markets and the *CMT* algorithm.

## **Principal Investment Risks:**

The principal risks of investing in *CMT* are summarized below. As with any investment, there is a risk that you could lose all or a portion of your investment in the program. Some or all of these risks may adversely affect the program's total return and/or ability to meet its objective.

The principal risks are presented in alphabetical order to facilitate finding particular risks and comparing them with those of other programs. Each risk summarized below is considered a "principal risk" of investing in the program, regardless of the order in which they appear.

- **Associated Risks of Long-Term Signals.** Because *CMT* expects to change its exposure occasionally based on long-term performance information, (i) *CMT*'s exposure may be affected by significant market movements at or near the end of such long-term period that are not predictive of such asset's performance for subsequent periods and (ii) changes to *CMT*'s exposure may lag a significant change in an asset's direction (up or down). Such lags between an asset's performance and changes to *CMT*'s exposure may result in underperformance (loss).

- **Cybersecurity Risk.** With the increased use of technologies such as the Internet to conduct business, *CMT* is susceptible to operational, information security, and related risks. Cyber incidents affecting *CMT* or its service providers may cause disruptions to normal business operations, potentially resulting in impediments to trading, inability to transact business, and financial losses.

- **General Market Risk.** Economies and financial markets throughout the world are becoming increasingly interconnected, which increases the probability that events or conditions in one country or region may adversely impact markets or issuers in other countries or regions. Securities in *CMT*'s portfolio may underperform in comparison to securities in the general financial markets, a particular financial market, or other asset classes, due to a number of factors, including inflation (or expectations for inflation), interest rates, global demand for particular products or resources, natural and man-made disasters or events, pandemic diseases, terrorism, regulatory events, and government controls.

- **Management Risk.** *CMT* is actively-managed and may not meet its investment objective based on the Adviser's success or failure to implement investment strategies for *CMT*.

- **New Trading Program Risk.** *CMT* has been actively traded since January 26, 2024, and has a short operating history. As a result, prospective investors do not have a significant track record or history on which to base their investment decisions.

- **Market Events Risk.** U.S. and international markets may experience unpredictable and unusual volatility due to unforeseen economic, political, and global macro risks. For example, coronavirus (COVID-19) caused an unforeseen global pandemic, which resulted in a public health crisis, depressed economic performance, layoffs, unemployment, changed travel and social behaviors, and reduced consumer spending. The effects unpredictable disruptions to the global economy can be uncertain and

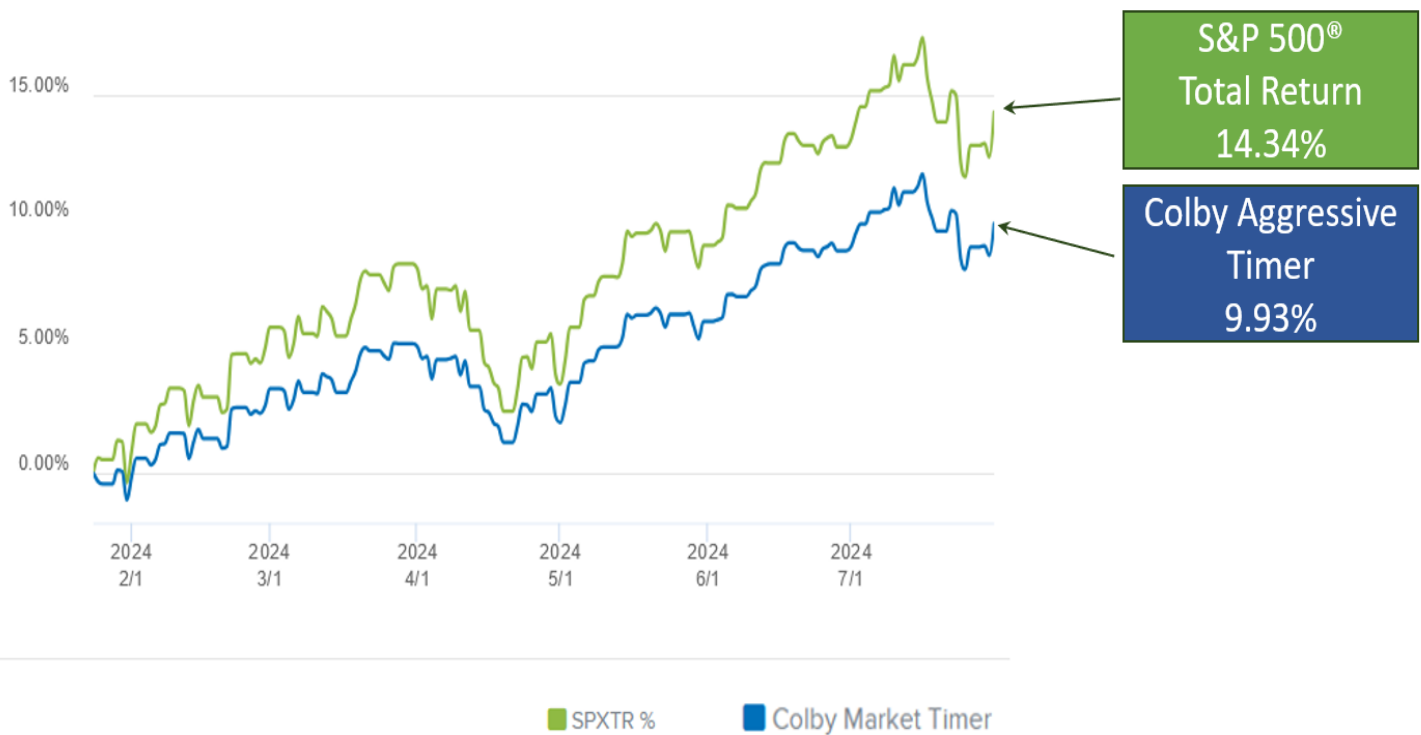
could last for an extended period of time, negatively impacting the normal operations of financial markets.

• **Underlying ETFs Risks.** *CMT* will incur slightly higher and duplicative expenses because it invests in underlying ETFs. *CMT* will be subject to substantially the same risks as those associated with the direct ownership of securities held by the underlying ETFs. Additionally, the market price of the shares of an underlying ETF in which *CMT* invests will fluctuate based on changes in the net asset value as well as changes in the supply and demand of its shares in the secondary market.

**Performance:** Performance for *CMT* will be updated monthly on our website. All of our published performance data for *CMT* include all accounts that are fully funded in the program, and are net of all management fees, trading commissions, margin loan payments, and any other fees assessed by Interactive Brokers.

## Cumulative Benchmark Comparison

2024-01-24 to 2024-07-31



### Returns for Colby Aggressive Timer (Inception Date: January 26, 2024):

	Total Return Since Inception	Monthly Std. Dev.
Colby Aggressive Timer	9.93 %	2.13
S&P 500 Total Return	14.34 %	3.21

## Fees and Expenses of *CMT*:

Robert W. Colby Asset Management, Inc. (*Colby*) charges no fee on the first \$10,000 in *CMT* accounts, then a fixed investment management fee of 0.5% per year – examples are found in the table below. Fees are deducted quarterly in arrears. Trading commissions and other fees are as specified on the Interactive Brokers website, [www.interactivebrokers.com](http://www.interactivebrokers.com).

## Accounts at Interactive Brokers:

0% of assets under management for the first \$10,000,  
0.5% for the amount in the account over \$10,000.

## Fee Examples:

Account Balance	Annual Fee (%)	Annual Fee (\$)	Quarterly Fee Deducted
\$10,000	0%	0%	0%
\$20,000	0% on first \$10,000. 0.5% on \$10,000.	\$50	\$12.50
\$100,000	0% on first \$10,000. 0.5% on \$90,000.	\$450	\$112.50
\$250,000	0% on first \$10,000. 0.5% on \$240,000.	\$1,200	\$300

## Management:

### *Investment Adviser:*

Robert W. Colby, *CMT*, serves as the investment adviser to *CMT*.

### *Portfolio Manager:*

William K. Anderson is responsible for the day-to-day management of *CMT* and has been the portfolio manager of *CMT* since its inception in January, 2024.

## Account Requirements:

Traditional or Roth IRA account at Interactive Brokers.

Or a Brokerage account at Interactive Brokers.

Account must be *linked* to Robert W. Colby Asset Management, Inc. for *trading only*.

Account must have “Trade Fractional Shares” enabled.

## Minimum and Maximum Investment:

Minimum investment: \$2,500.00

Maximum investment: No maximum.

## Tax Information:

*CMT* distributions are not generally taxable in IRA accounts, but are taxed in brokerage accounts as ordinary income or capital gains (or a combination).

**Financial Advisor Compensation:**

If you are working with a financial advisor who is a solicitor of Robert W. Colby Asset Management, Inc., Colby may pay the advisor for certain activities related to *CMT*, including participation in activities that are designed to make advisors more knowledgeable about exchange-traded products, or for other activities, such as marketing, educational training, or other initiatives related to the promotion of *CMT*. These payments may create a conflict of interest by influencing the advisor to recommend *CMT* over another investment. Any such arrangements do not result in increased *CMT* fees to the client, however. Your advisor should disclose any such relationship with Colby, and a list of Colby's solicitors is contained in our Firm Brochure.

**Additional Information:**

If you have additional questions or need more information, please contact us at 646-652-6879 or [info@colbyassetmanagement.com](mailto:info@colbyassetmanagement.com) to set up a call with a member of our firm.