



MARTELLO
INVESTMENTS

Part 2A of Form ADV: Firm Brochure
Item 1 Cover Page

Martello Investments, LLC
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www.martelloinvestments.com

This brochure provides information about the qualifications and business practices of Martello Investments, LLC. If you have any questions about the contents of this brochure, please contact us at (757) 337-3599 and/or info@martelloinvestments.com.

The information in this brochure has not been approved or verified by the United States Securities and Exchange Commission ("SEC") or by any state securities authority. Additional information about Martello Investments, LLC also is available on the SEC's website at www.adviserinfo.sec.gov.

Martello Investments, LLC's registration as an investment adviser does not imply a certain level of skill or training.

Effective Date: July 2, 2018

Item 2 Material Changes

Last Annual Update: March 23, 2018

Summary of Material Changes

This section will be updated as required in the event any material changes are made to the Martello Investments, LLC Firm Brochure (the “Brochure”):

- Items 5 and 6 were updated to disclose that the firm will charge performance-based fees.
- Item 14 was updated to disclose that the firm will pay compensation for client referrals.
- Item 5 was updated to disclose that the firm withdraws fees from client’s brokerage accounts for Investment Management services.
- Item 15 was updated to add Charles Schwab & Co., Inc. as an additional custodian.

Delivery Requirements

We will provide a summary of any material changes to this Brochure to our clients at least annually, within 90 days of our fiscal year end. Furthermore, we will provide our clients with other interim disclosures about material changes as necessary.

A complete copy of our current Form ADV Part 2A and/or 2B may be requested free of charge by contacting us by telephone at (757) 337-3599 or by email at info@martelloinvestments.com.

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Item 4 Advisory Business

FIRM DESCRIPTION

Martello Investments, LLC (hereinafter referred to as “Martello”, “we”, “us”, or “our firm”) is a Virginia limited liability company with its principal office located in Norfolk, VA and has been in business as a registered investment adviser since 2017. The principal owners of the firm are Charles Culver and Arthur Grizzle.

As a registered investment adviser, we are a fiduciary to you, our client, meaning we have a fundamental obligation to act and provide investment advice that is in your best interest. Should any material conflicts of interest exist that might affect the impartiality of our investment advice, they will be disclosed to you in this Brochure. We urge you to review this Brochure carefully and consider our qualifications, business practices and the nature of our advisory services before becoming our client.

As of September 2018, Martello manages \$2,409,014.00 of client assets on a discretionary basis and \$12,827,869.00 of client assets on a non-discretionary basis.

ADVISORY PROGRAMS

Martello provides a variety of investment advisory services to our clients. In connection with our advisory services, Martello primarily provides advice using proprietary investment strategies constructed and managed using a portfolio of exchange traded funds representing a broad range of asset classes. Our advice is generally limited to these types of investments, but we reserve the right to advise or not advise our clients on certain investments should we deem it appropriate based on their particular circumstances.

Our advisory services are offered through certain individuals who have registered with Martello as its investment adviser representatives (“advisors”). Clients should refer to such advisor’s Form ADV Part 2B (the “Brochure Supplement”) for more information about their qualifications.

Martello’s advisory services are tailored to the needs of our clients based on their individual investment objectives, risk tolerance, cash or income needs, and any investment restrictions. Although Martello seeks to accommodate any reasonable investment restrictions or guidelines set by our clients, we may at our discretion decline to accommodate certain investment restrictions that are incompatible with our firm’s investment philosophy or that may have an adverse effect on our ability to manage client accounts.

Our advisors may offer all or any combination of the advisory services described below to our clients:

Investment Management Services. Martello provides investment management services where clients’ portfolios are managed using a proprietary investing algorithm. Working closely with an Martello Investments, LLC

advisor, clients will establish realistic and measurable investment goals and objectives to meet those goals will be defined. An advisor will recommend that clients allocate their investment portfolio among various asset classes, then once the appropriate asset allocation has been determined, the portfolio will be monitored and rebalanced on an ongoing basis as changes in market conditions and client circumstances occur. As part of these investment management services, we have an ongoing responsibility to select and make recommendations to our clients as to specific securities or other investments that may be purchased or sold for a client’s portfolio.

Martello generally exercises discretionary authority where we manage investment portfolios without client consultation after the initial establishment of the client’s investment objectives and appropriate asset allocation. Martello receives discretionary authority from our clients through our Engagement Agreement at the outset of our advisory relationship. We generally do not manage accounts on a non-discretionary basis. We may, however, from time to time make an exception upon client request.

Signal Provider Services. We provide propriety investment recommendations (“signals”) to clients on a monthly basis. The signals indicate the model asset mix among various investment categories and the recommended trades to achieve that mix. Clients may use the signals provided by our firm to manage their accounts. Clients using these services retain exclusive responsibility for making the determination of whether to implement any of the signals in their accounts. Martello does not manage or exercise investment discretion or trading authority over these accounts.

Wrap Fee Programs. Martello does not participate in any wrap fee programs.

Important Note: It is the client’s responsibility to ensure that Martello is promptly notified if there are ever any significant changes to their financial situation, goals, objectives or needs so we can review our previous recommendations and make any necessary adjustments.

Item 5 Fees and Compensation

ADVISORY FEES

The following information describes how Martello is compensated for the advisory services we provide to our clients. The specific manner in which fees are charged and the compensation we receive may differ between clients depending upon the individual Engagement Agreement with each client. Martello reserves the right to negotiate our compensation with clients depending on the scope of our advisory relationship, and we may charge higher or lower fees than may be available from other firms for comparable services. Martello has the general discretion to waive all or a portion of our fees, but typically only exercises this discretion for our employees.

Fees for Investment Management Services. In consideration for providing investment management services, Martello charges an annual asset-based fee of up to 1% based on the client’s assets under management (“AUM”) as valued by the custodian.

Martello generally withdraws fees directly from the client's brokerage accounts with client's written authorization on a quarterly basis in arrears.

Qualified clients in certain strategies may elect to pay an annual performance fee. If the portfolio rises in value, then the client will pay a performance fee on that increase in value, but if the portfolio drops in value, then the client will not incur a new performance fee until the portfolio reaches the last highest value, adjusted for withdrawals and deposits, which is generally known as a "high water mark." The performance fee is subject to negotiation but typically ranges from 0.0% to 50.0% of the net increase, if any, in the net value of the client's account on an annual basis for the preceding year, subject to the high-water mark. The performance fee will be set forth in the fee schedule of the investment advisory contract.

Performance-based fees are withdrawn directly from the client's accounts with client's written authorization or may be invoiced and billed directly to the client and clients may select the method in which they are billed.

Fees for Signal Provider Services. Martello charges an annual asset-based fee of up to 0.50% based upon the market value of the clients' assets (designated to Martello in writing) determined as of the last day of the previous billable month. As an example, the quarterly fee for an institutional money manager who desires to use our signals to manage a portion of their client accounts valued at \$1,000,000 on March 31st would be calculated as no more than \$1,250 for $[(1,000,000 * .005) / 4]$ for that quarter. Clients will be billed directly on a quarterly basis in arrears and payment is due to our firm within thirty (30) days of the end of each billing quarter.

Negotiability of Fees. Fees are negotiated with each client based on a variety of factors, such as the number of accounts being managed, our ability to be competitive with fees charged by other investment advisory firms, anticipated future deposits or new accounts, pre-existing relationships, the level and type of services required by the client and/or the nature of the relationship with the client.

Additional Fees and Expenses. Clients will incur transaction charges and/or brokerage fees when purchasing or selling securities. These charges and fees are typically imposed by the broker-dealer or qualified custodian through which account transactions are executed. Martello does not share in any portion of the brokerage fees or transaction charges charged to clients.

The fees that clients pay to our firm for investment advisory services are separate and distinct from the fees and expenses charged by mutual funds or exchange traded funds to their shareholders. The fees charged by mutual funds and exchange traded funds will generally include a management fee and other fund expenses. To fully understand the total costs associated with their investment portfolio, clients should review all the fees charged by mutual funds, exchange traded funds, our firm and others.

Termination. Martello enters into formal written agreements with our clients setting forth the terms and conditions under which we will provide our advisory services (the "Engagement

Agreement”). The Engagement Agreement sets forth the scope of the services to be provided and the compensation we receive from the client for such services. The Engagement Agreement with our clients may be terminated by either party at any time upon thirty (30) days prior written notice.

For clients subscribed to our investment management services, upon termination of our status as the client’s investment adviser our firm will not take any further action with respect to the client’s account(s) unless specifically notified by the client in writing. Clients will be responsible for instructing their custodian and monitoring their account for the final disposition of assets.

Refunds. Upon receipt of a proper notice of termination from the client, as described in the Engagement Agreement, any earned unpaid fees will be billed on a pro-rata basis based on the amount of work performed by us up to the point of termination.

Brokerage Commissions. Martello does not receive brokerage commissions from the sale of securities or other investment products. Our compensation for recommending securities and investment products is limited to the advisory fees described above.

Any material conflicts of interest between clients and Martello or our employees are disclosed in this Brochure. If at any time, additional material conflicts of interest develop, Martello will provide our clients with written notification of those material conflicts of interest or an updated Brochure.

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

PERFORMANCE BASED FEES

Martello manages accounts that are billed on performance-based fees (a share of capital gains on or capital appreciation of the assets of a client) as well as accounts that are NOT billed on performance-based fees. Managing both kinds of accounts at the same time presents a conflict of interest because the firm or its supervised persons have an incentive to favor accounts for which the firm and its supervised persons receive a performance-based fee. Martello addresses the conflicts by ensuring that clients are not systematically advantaged or disadvantaged due to the presence or absence of performance-based fees. Martello seeks best execution and upholds its fiduciary duty for all clients.

Clients that are paying a performance-based fee should be aware that investment advisers have an incentive to invest in riskier investments when paid a performance-based fee due to the higher risk/higher reward attributes.

Item 7 Types of Clients

TYPES OF CLIENTS

Martello offers investment advisory services to a diverse group of clients including individuals, high net worth individuals, trusts, investment companies (including mutual funds), investment advisers, pension and profit sharing plans (other than plan participants), charitable organizations and non-profit organizations. Client relationships may vary in scope and length of service.

ACCOUNT REQUIREMENTS

Martello generally requires a minimum account balance of \$100,000 for our investment management services. However, Martello in its sole discretion may waive or lower our minimum account balance requirement based on various criteria (i.e., anticipated future additional assets to be managed, related accounts, account composition, negotiations with the client, etc.).

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

METHODS OF ANALYSIS & INVESTMENT STRATEGIES

The securities analysis methods employed by Martello include fundamental analysis, technical analysis and economic analysis.

Fundamental Analysis. This method of analysis attempts to identify the intrinsic value of a security by looking at economic, financial and other quantitative or qualitative factors to determine if the security is underpriced or overpriced. Fundamental analysis does not attempt to anticipate market movements.

Key Risks: Investments may be subject to high levels of economic or financial risk resulting in wide swings in the price of a security.

Technical Analysis. This method of analysis involves the evaluation of historical market data for a particular investment to identify recurring trading patterns that predict future price movements.

Key risks: Investments may be subject to high levels of economic or financial risk resulting in wide swings in the price of a security. Furthermore, investments may be affected by the prevailing market conditions or changes in the regulatory environment.

Economic Analysis. This method of analysis involves evaluating economic cycles and trends to find favorable conditions for buying and/or selling a security. Economic analysis assumes that the markets react in patterns which, once identified, can be leveraged to provide performance.

Key Risks: The lengths of economic cycles may be difficult to predict with accuracy and therefore the risk of economic analysis is the difficulty in predicting economic trends and consequently the changing value of securities that would be affected by these changing trends.

Strategies may include both long and short position purchases comprised primarily of exchange traded funds. Our firm strives to build portfolios that are flexible and diversified to control the risk associated with the capital markets. Capital is allocated actively and may involve frequent trading to adapt to changing market conditions and capitalize on those opportunities, but in periods when it is difficult to identify attractive opportunities cash levels may increase. Clients should be aware frequent trading can affect investment performance, particularly through increased brokerage and other transaction costs and taxes.

The investment strategy for a specific client is based upon the objectives stated by the client during our initial consultations. The client may change these objectives at any time. Risk management is integrated into our process through the use of appropriate risk levels on each position. The value of securities used in our strategies may go up or down in response to factors not within our control, including but not limited to the status of an individual company underlying a security, or the general economic climate.

As disclosed under **Item 4 Advisory Business**, we primarily recommend exchange traded funds (ETFs). ETFs are professionally managed collective investment systems that pool money from many investors and invest in stocks, bonds, short-term money market instruments, commodities, other securities or any combination thereof. The fund will have a manager that trades the fund's investments in accordance with the fund's investment objective. While ETFs generally provide diversification, risks can be significantly increased if the fund is concentrated in a particular sector of the market, primarily invests in small cap or speculative companies, uses leverage (i.e., borrows money) to a significant degree, or concentrates in a particular type of security (i.e., equities or commodities) rather than balancing the fund with different types of securities. ETFs can be bought and sold throughout the day like stocks and their price can fluctuate throughout the day.

All investments have their own unique set of risks associated with them. Even within the same type of investment, risks can vary widely. However, in very general terms, the higher the anticipated return of an investment, the higher the risk of loss associated with it.

RISK OF LOSS

Any investment carries a certain degree of risk, including a possible loss of principal that clients should be prepared to bear. The value of securities used in all of our strategies may go up or down in response to factors not within our control, such as but not limited to the status of an individual company underlying a security, or the general economic climate. There is no guarantee that any of the investment strategies that our firm employs will consistently outperform the market or investment strategies used by other firms or insulate clients from losses due to market corrections or declines. Past performance is no guarantee of future results.

Investors should be aware their investment is not guaranteed and understand that there is a risk of loss of value in their investment.

Item 9 Disciplinary Information

REQUIRED DISCLOSURES

Our firm and our management persons have not been involved in any legal or disciplinary events that would have a material adverse effect on the management or other services we provide to our clients.

Item 10 Other Financial Industry Activities and Affiliations

OUTSIDE BUSINESS ACTIVITIES

Neither Martello nor any of its employees are registered, or have an application pending to register, as a broker-dealer or registered representative of a broker dealer, futures commission merchant, commodity pool operator, a commodity trading advisor, or an associated person of the foregoing entities.

AFFILIATED ENTITIES

Martello does not have relationships or arrangements with any affiliated entities that create a potential conflict of interest for our clients.

OTHER INVESTMENT ADVISERS

Certain employees of Martello are employed by Vantage Consulting Group (“Vantage”), an unaffiliated registered investment adviser. Both Martello and Vantage offer investment advisory services but our employees do not act in the capacity of investment adviser representatives as a result of their employment with Vantage. It is not anticipated that Vantage clients will be clients of Martello or vice versa.

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

CODE OF ETHICS

Martello has adopted a Code of Ethics (the “Code”) that sets forth a standard of business conduct

for our firm and all our associated persons. The purpose of the Code is to set out ideals for integrity, objectivity, competence, fairness, confidentiality, professionalism and diligence for our firm and our associated persons to espouse in the interest of our clients and investor protection. The Code includes provisions relating to the confidentiality of client information, a prohibition on insider trading, restrictions on the acceptance of significant gifts and the reporting of certain gifts and business entertainment items, and personal securities trading procedures, among other things. All employees of Martello are required to handle their personal securities transactions in such a manner as to avoid any actual or potential conflicts of interest or any abuse of position of trust and responsibility. Annually, we require all employees to certify that they have read, understand and will comply with the Code.

Clients and prospective clients may request a full copy of our firm's Code of Ethics by contacting our firm in writing at Martello Investments, LLC, 201 E. City Hall Ave. Suite 700, Norfolk, VA 23510 or by email at info@martelloinvestments.com.

PARTICIPATION OR INTEREST IN CLIENT TRANSACTIONS

Martello and/or our advisors may invest in the same securities that are recommended to and/or purchased for our clients. and/or our advisors does not recommend securities to our clients in which Martello and/or our advisors has a material financial interest. Martello has adopted procedures designed to assure that the personal securities transactions, activities and interests of Martello and/or our advisors will not interfere with our ability to make investment decisions in the best interest of our clients. Our policies and procedures require that all employees of Martello submit reports of their personal account holdings and transactions to a qualified representative of our firm who will review these reports on a periodic basis to ensure that there is no apparent misuse of material, non-public information about our clients or their account holdings. All employees of our firm are also required to report any violations of our Code of Ethics.

PERSONAL TRADING

Martello maintains and enforces written policies and procedures reasonably designed to prevent the misuse of material non-public information by our firm or any access persons of our firm with regards to their personal securities transactions. Personal trading activities are continually monitored to reasonably prevent conflicts of interest between our firm and our clients.

Item 12 Brokerage Practices

SELECTION OF BROKER-DEALERS

Securities transactions are generally executed through Interactive Brokers, LLC. ("Interactive Brokers"), member FINRA/SIPC/NYSE. Interactive Brokers maintains custody of our clients' assets and effects securities transactions for our investment management clients' accounts. Martello is

independently owned and operated, and is not affiliated with or a related person of Interactive Brokers.

Martello considers a number of factors prior to recommending a particular broker-dealer to our clients, including but not limited to, their familiarity with the securities to be sold or purchased, their execution skills, order-flow capabilities, their commission rates or other fee schedules, their custodial services, their level of net capital (financial strength) and excess SIPC and other insurance coverage. The commissions charged by Interactive Brokers are competitive with similarly situated retail broker-dealers offering the same variety of securities to clients. Clients are advised, however, that they may be able to effect transactions in securities through other broker-dealers at lower commission rates, particularly with respect to securities listed on a national securities exchange or in the over-the-counter market.

Research and Other Soft Dollar Benefits. Interactive Brokers offers products or services other than execution that assist our firm in managing and administering client accounts. These may include software and other technology that provide access to client account data (such as trade confirmations and account statements), facilitate trade execution (and allocation of aggregated trade orders for multiple client accounts), facilitate payment of our fees from client's accounts, and assist with back office functions, record keeping and client reporting. These services may be used to service all or a substantial number of client accounts, including accounts not maintained at Interactive Brokers.

Martello may also receive services from Interactive Brokers or its affiliates that are intended to help our firm manage and further develop our business. These services may include registration support through Greenwich Compliance, website design and technology support. Interactive Brokers also has arrangements with various product vendors, which enable our firm to purchase their products at a discount. These products may include such items as: client reporting and consolidated statement software; client communication software; client relationship management software; compliance assistance; and investment research.

Martello does not participate in any commission-sharing arrangements or receive soft dollar credits. While the benefits we receive from Interactive Brokers do not depend on the amount of brokerage transactions directed to Interactive Brokers, as a fiduciary we are required to disclose that there is an inherent conflict of interest when our firm recommends that clients maintain their assets at Interactive Brokers. These recommendations may be based in part on the benefits we receive from Interactive Brokers, such as the availability of the abovementioned products and services, and not solely on our clients' interest in receiving most favorable execution. Nonetheless, we seek to ensure that the securities transactions effected for our clients represent the best qualitative execution, not just the lowest possible cost.

Our firm routinely compares order execution disclosure information at Interactive Brokers to other broker-dealers to ensure that Interactive Brokers remains competitive in providing best execution for our clients' securities transactions. Although the brokerage commissions and/or transaction fees charged by Interactive Brokers may be higher or lower than those charged by

other broker-dealers, in seeking best execution for our clients our firm strives to ensure that our clients pay brokerage commissions and/or transactions fees which we have determined, in good faith, to be reasonable in relation to the value of the brokerage and other services provided by Interactive Brokers.

Brokerage for Client Referrals. Martello does not consider broker-dealer or third party referrals in selecting or recommending broker-dealers to our clients as this would create a conflict of interest.

Directed Brokerage. While Martello generally recommends that clients direct transactions through Interactive Brokers, we do not have discretionary authority to determine the broker-dealer to be used for the purchase or sale of securities for client accounts or the commission rates paid to a broker-dealer for client securities transactions.

In rare cases, Martello may utilize other broker-dealers when requested by the client. Clients of Martello must be aware that if they direct us to use a particular broker-dealer that it may limit our ability to achieve best execution or limit their participation in block trading. As a result, clients may pay higher commissions, have higher transaction costs, or receive less favorable prices. In situations where the client directs us to effect their transactions through a particular broker-dealer, we require such directions to be in writing.

TRADE AGGREGATION

Trade orders for the same security entered on behalf of more than one client will generally be aggregated pursuant to our firm's trade aggregation procedures. Investment decisions deemed appropriate for one client may also be deemed appropriate for other clients so that the same security may be purchased or sold at or about the same time for more than one client. When this is the case our firm may, but is not obligated to, aggregate similar trades for multiple clients and execute the trade as a single block.

When transactions are so aggregated, the securities purchased or sold will be allocated in a fair and equitable manner. Our trade allocation procedures seek to allocate investment opportunities among our clients in the fairest possible way taking into account their best interests. These procedures ensure that allocations do not involve a practice of favoring or discriminating against any client or group of clients. Transactions are usually aggregated to seek a more advantageous net price and/or to obtain better execution for all clients. Nevertheless, there is no assurance that the aggregation of transactions will benefit all clients equally, and in some instances combined orders could adversely affect the price or volume of a security. Also, it is possible that we may not aggregate trades in circumstances where it would be beneficial to do so.

In situations where our firm may not be able to aggregate trades, this may result in clients paying higher brokerage commissions because we did not aggregate orders to reduce transaction costs, or may result in some clients receiving less favorable prices because they did not participate in an aggregated order.

TRADE ERRORS

From time to time, our firm may make a trade error when servicing a client's account. When this occurs, we will correct the trade as soon as we discover the error. Trading errors will be corrected at no cost to clients. In most cases, we will correct trade errors via our executing broker-dealer's trade error desk. If there is a cost associated with this correction, such cost is borne by Martello and not the client. Note that we do not credit accounts for market losses unrelated to our error.

Item 13 Review of Accounts

ACCOUNT REVIEWS

Martello conducts account reviews on at least a quarterly basis for clients subscribed to our investment management services. The frequency of the review depends upon a variety of factors such as: the client's risk profile, activity in the account, economic and market conditions, and the client's preferences, if any. Additional reviews may be triggered by changes in the investment objectives or guidelines of a particular client or specific arrangements with the client.

Formal client review meetings are generally conducted on a regular basis at intervals selected by the advisor and the client. During these reviews, any changes in the client's investment objectives are discussed so we can review our previous recommendations and make any necessary adjustments.

ACCOUNT REPORTS

Those clients to whom Martello provides investment management services receive at least quarterly reports from our firm summarizing their account(s) and investment results. Reports may be furnished in writing or electronically as requested by the client. Clients are urged to compare the account statements they receive from their custodian to any written reports received from our firm and inform us promptly of any discrepancies they observe.

Item 14 Client Referrals and Other Compensation

CLIENT REFERRALS

Martello will, via written arrangement, compensate third parties ("solicitors") for referring clients to Martello. All compensation with respect to the foregoing will be fully disclosed to each client to the extent required by applicable law. Martello will ensure each solicitor is properly registered in all appropriate jurisdictions.

OTHER COMPENSATION

Martello does not receive an economic benefit from anyone who is not a client in exchange for our provision of investment advice or other advisory services.

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

Charles Schwab & Co., Inc. Advisor Services also makes available to Martello other products and services that benefit Martello but may not benefit its clients' accounts. These benefits may include national, regional or Martello specific educational events organized and/or sponsored by Charles Schwab & Co., Inc. Advisor Services. Other potential benefits may include occasional business entertainment of personnel of Martello by Charles Schwab & Co., Inc. Advisor Services personnel, including meals, invitations to sporting events, including golf tournaments, and other forms of entertainment, some of which may accompany educational opportunities. Other of these products and services assist Martello in managing and administering clients' accounts. These include software and other technology (and related technological training) that provide access to client account data (such as trade confirmations and account statements), facilitate trade execution (and allocation of aggregated trade orders for multiple client accounts, if applicable), provide research, pricing information and other market data, facilitate payment of Martello's fees from its clients' accounts (if applicable), and assist with back-office training and support functions, recordkeeping and client reporting. Many of these services generally may be used to service all or some substantial number of Martello's accounts. Charles Schwab & Co., Inc. Advisor Services also makes available to Martello other services intended to help Martello manage and further develop its business enterprise. These services may include professional compliance, legal and business consulting, publications and conferences on practice management, information technology, business succession, regulatory compliance, employee benefits providers, and human capital consultants, insurance and marketing. In addition, Charles Schwab & Co., Inc. Advisor Services may make available, arrange and/or pay vendors for these types of services rendered to Martello by independent third parties. Charles Schwab & Co., Inc. Advisor Services may discount or waive fees it would otherwise charge for some of these services or pay all or a part of the fees of a third-party providing these services to Martello. Martello is

independently owned and operated and not affiliated with Charles Schwab & Co., Inc. Advisor Services.

Item 15 Custody

CUSTODY OF CLIENT FUNDS AND SECURITIES

Martello does not exercise custody over client assets or accounts. Interactive Brokers and Charles Schwab & Co., Inc. Advisor Services are the qualified custodians and maintains custody of client funds in separate brokerage account(s) for each client under the client's name. Martello personnel may assist the client in preparing paperwork to open a new brokerage account at Interactive Brokers, but only the client is permitted to authorize, by their signature, the opening of the account.

Interactive Brokers sends an account-opening letter to each client at their physical mailing address after the account is approved. Clients enrolled to use Interactive Brokers' automatic advisor fee billing function will be sent an invoice each time a fee is charged to their account(s). This invoice reflects the fee charged, the fee calculation methodology, and the period covered by the fee. Clients can also access daily, monthly and annual account statements as well as daily trade confirmations through a password protected portion of Interactive Brokers' website, www.interactivebrokers.com. Clients should also expect to receive quarterly account summaries from the qualified custodian by first-class mail. Clients should carefully review the account statements and summaries received from the qualified custodian(s) and compare such official custodial statements to any account reports provided by Martello. Any client that does not receive an account statement or summary from the qualified custodian should call our firm immediately so that we can arrange to have another statement sent by the custodian.

Clients can also access information concerning their account(s) and access (and generally change) the settings for their brokerage account online on the Interactive Brokers website at www.interactivebrokers.com.

Item 16 Investment Discretion

DISCRETIONARY AUTHORITY

Martello manages client securities portfolios on a discretionary basis. Martello is granted limited discretionary authority in writing by the client at the outset of the advisory relationship. This limited discretionary authorization gives Martello the authority to manage the client's investment assets at our firm's sole discretion and without consulting with the client in advance, subject to the investment objectives, guidelines and restrictions set by the client. This

authorization will remain in full force and effect until we receive a written termination notice from the client.

Although Martello generally does not manage accounts on a non-discretionary basis, clients who have engaged our firm for non-discretionary investment management services may limit our discretion to the price at which, or the time when, an order for the purchase or sale of a specified security shall be executed.

Martello does not have discretionary authority to determine what broker-dealer to use or the amount of commissions that are charged by the broker-dealer or custodian.

Item 17 Voting Client Securities

AUTHORITY TO VOTE CLIENT PROXIES

Martello does not accept authority from clients with respect to voting of proxies solicited by, or with respect to, the issuers of any securities held in client portfolios. The qualified custodian holding the client's assets will send all such proxy documents it receives to the client so that the client may take whatever action the client deems appropriate. Martello does not offer any consulting assistance regarding proxy issues to clients.

Item 18 Financial Information

REQUIRED DISCLOSURES

As previously discussed in this brochure, Martello may accept limited discretionary authority when providing investment management services if agreed upon in writing with the client. Martello does not require or solicit prepayment of advisory fees from our clients.

Martello has no financial commitments that would impair our firm's ability to meet our contractual and fiduciary commitments to our clients, and has not been the subject of a bankruptcy proceeding.

Item 19 Requirements for State-Registered Advisers

EXECUTIVE OFFICERS AND MANAGEMENT PERSONS

Charles Culver: Co-Founder

Charles serves as the all-around operations head for Martello. In this role, he oversees all trading and technology at the firm, including the development of Martello's custom software programs.

Prior to founding Martello, Charles was the Director of Information Technology with Vantage Consulting Group. Charles was responsible for all technology related aspects of Vantage’s operations, including writing the software package utilized by Vantage for the entirety of its middle- and back-office operations.

Charles also played a key role in Vantage’s asset management ventures; his relationships included a fund of emerging hedge funds and a first-loss capital pool. For these clients and others, Charles developed risk management and oversight systems, portfolio optimization strategies, and tools for forensic analysis of quantitative trading systems.

- Clemson University: B.S. in Computer Sciences with Minor in Business
- CFA Level 2 Candidate

Arthur Grizzle: Co-Founder

Arthur is responsible for Martello's investment management activities as well as supervision of the firm's research efforts and general strategy.

Prior to founding Martello, Arthur was an Analyst with Vantage Consulting Group. At Vantage, he worked in the firm’s institutional consulting business and developed investment strategies for asset management. In Vantage’s consulting practice, Arthur was responsible for portfolio monitoring, strategy recommendations and analysis of alternative investments including private equity and hedge funds.

Arthur also created strategies for Vantage’s investment management projects including fundamental models and systematic trading programs. In this capacity, he served as Portfolio Manager for the Vantage Tactical Fixed Income strategy, an ETF trading program licensed to third-party advisors.

- College of William & Mary’s Mason School of Business: M.B.A.
- Rollins College: B.A. in International Relations
- Chartered Financial Analyst charter-holder

OUTSIDE BUSINESS ACTIVITIES

Certain employees of Martello are employed by Vantage Consulting Group (“Vantage”), an unaffiliated registered investment adviser, and spend approximately 50% of their time performing this activity.

PERFORMANCE-BASED FEES

As described in Item 5, Martello accepts performance-based fees, fees based on a share of capital gains on or capital appreciation of the assets of a client. Clients that are paying a performance-based fee should be aware that investment advisers have an incentive to invest in

riskier investments when paid a performance-based fee due to the higher risk/higher reward attributes.

LEGAL OR DISCIPLINARY EVENTS

Neither Martello nor our management persons have been involved or been found liable in any arbitration claims alleging damages in excess of \$2,500 or been involved or been found liable in any civil, self-regulatory organization, or administration proceeding.

ISSUERS OF SECURITIES

Neither Martello nor our management persons have any relationships or arrangements with any issuers of securities.



MARTELLO
INVESTMENTS

Form ADV Part 2B: Brochure Supplement

MARTELLO INVESTMENTS, LLC
201 E. City Hall Ave. Suite 700
Norfolk, VA 23510

www.martelloinvestments.com

This brochure supplement provides information about our supervised persons that supplements the Martello Investments, LLC Firm Brochure. You should have received a copy of that Brochure. Please contact our firm if you did not receive Martello Investments, LLC's Firm Brochure or if you have any questions about the contents of this supplement.

Additional information about the supervised persons mentioned in this brochure supplement is available on the SEC's website at www.adviserinfo.sec.gov.

Effective Date: July 2, 2018

SUPERVISED PERSONS: Charles Culver

EDUCATIONAL BACKGROUND AND BUSINESS EXPERIENCE

Name: Charles Frederick Culver

Year of Birth: 9/5/1981

Education: B.S. Computer Sciences/Minor in Business, 2004
Clemson University

Experience: Managing Member
Martello Investments, LLC
2017 - Present

IT Director
Vantage Consulting Group
2004 – 2017

Mr. Culver holds the Certificate in Investment Performance Measurement™ (CIPM) designation from CFA Institute.

CIPM

The CIPM® program is a specialized course of study that leads to the CIPM certificate—the only credential dedicated to investment performance evaluation and presentation. The program promotes professional ethics; global best practices in investment performance measurement, attribution, appraisal, and reporting techniques; and proficiency in using the increasingly important Global Investment Performance Standards (GIPS)®. To earn the CIPM certificate, candidates must pass two exams that test their mastery of this curriculum and have two years of professional experience substantially entailing performance-related activities or four years in the investment industry (waived for CFA charter holders). There is no prerequisite to take the two computer-based exams, and the curriculum is offered online. The exams are offered in April and October every year at 400 test centers in 80 countries. Successful candidates have reported spending approximately 50–100 hours of study on each exam. The CIPM exams and curriculum are grounded in the current practice of the investment performance measurement profession through a regular practice analysis process where panels and surveys of current investment performance professionals determine the knowledge, cutting-edge skills, and abilities needed to succeed in the day-to-day of the evolving modern profession. The goal of practice analysis of identifying the knowledge, skills, and competencies required to competently practice a performance measurement job is essential to maintaining the relevance and reputation of the CIPM program and for keeping CIPM certificants current.

DISCIPLINARY INFORMATION

Mr. Culver has not been involved in any legal or disciplinary events that would be material to a client's or prospective client's evaluation of the integrity of our management.

OTHER BUSINESS ACTIVITIES

Mr. Culver is a Software Engineer for StratusLIVE, a software development firm that operates various nonprofit fundraising platforms. StratusLIVE accounts for 75% of Mr. Culver's income and time.

ADDITIONAL COMPENSATION

Mr. Culver does not receive any additional compensation, apart from his regular salary and bonuses, that is based, all or in part, on the number or amount of sales, client referrals, or new accounts. Mr. Culver does not receive any economic benefit from anyone who is not a client for providing advisory services.

SUPERVISION

Charles Culver is the Chief Compliance Officer ("CCO") of our firm and as such has no internal supervision placed over him. He is, however, bound by our firm's Code of Ethics. Arthur Grizzle, Managing Member, shall be responsible for monitoring the advisory and personal trading activities of Mr. Culver. The CCO may be contacted at (757) 337-3599 or by email at cculver@martelloinvestments.com.

REQUIREMENTS FOR STATE-REGISTERED ADVISERS

Mr. Culver not been involved or been found liable in any arbitration claims alleging damages in excess of \$2,500, in any civil, self-regulatory organization, or administration proceeding, or been subject of any bankruptcy petition.



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Additional information about the supervised persons mentioned in this brochure supplement is available on the SEC's website at www.adviserinfo.sec.gov.

Effective Date: January 2, 2018

SUPERVISED PERSONS: Arthur Grizzle

EDUCATIONAL BACKGROUND AND BUSINESS EXPERIENCE

Name: Arthur Judson Grizzle, Jr., CFA®

Year of Birth: 6/7/1989

Education: Chartered Financial Analyst®, 2016
CFA Institute

Masters of Business Administration (M.B.A.), 2012
College of William & Mary’s Mason School of Business

B.A. International Relations, 2011
Rollins College

Experience: Managing Member
Martello Investments, LLC
2017 - Present

Analyst
Vantage Consulting Group
2012 - 2017

Chartered Financial Analyst® (CFA®). The CFA® charter is a globally respected, graduate-level investment credential established in 1962 and awarded by the CFA Institute — the largest global association of investment professionals. To earn the CFA® charter, candidates must: 1) pass three sequential, six-hour examinations; 2) have at least four years of qualified professional investment experience; 3) join CFA Institute as members; and 4) commit to abide by, and annually reaffirm, their adherence to the CFA Institute Code of Ethics and Standards of Professional Conduct. The CFA Institute Code of Ethics and Standards of Professional Conduct, enforced through an active professional conduct program, require CFA® charterholders to place their clients’ interests ahead of their own; maintain independence and objectivity; act with integrity, maintain and improve their professional competence; and disclose conflicts of interest and legal matters. Passing the three CFA exams is a difficult feat that requires extensive study (successful candidates report spending an average of 300 hours of study per level). Earning the CFA® charter demonstrates mastery of many of the advanced skills needed for investment analysis and decision making in today’s quickly evolving global financial industry.

The CFA® Program curriculum provides a comprehensive framework of knowledge for investment decision making and is firmly grounded in the knowledge and skills used every day in the investment profession. The three levels of the CFA® Program test a proficiency with a wide range of fundamental and advanced investment topics, including ethical and professional standards, fixed-income and equity analysis, alternative and derivative investments, economics,

financial reporting standards, portfolio management, and wealth planning. The CFA® Program curriculum is updated every year by experts from around the world to ensure that candidates learn the most relevant and practical new tools, ideas, and investment and wealth management skills to reflect the dynamic and complex nature of the profession.

DISCIPLINARY INFORMATION

Mr. Grizzle has not been involved in any legal or disciplinary events that would be material to a client's or prospective client's evaluation of the integrity of our management.

OTHER BUSINESS ACTIVITIES

Mr. Grizzle is also employed by Vantage Consulting Group ("Vantage"), an unaffiliated registered investment adviser. Both Martello and Vantage offer investment advisory services but Mr. Grizzle does not act in the capacity of an investment adviser representative as a result of his employment at Vantage. The investing activities of Vantage are separate and distinct from the advisory services provided by our firm.

ADDITIONAL COMPENSATION

Mr. Grizzle does not receive any additional compensation, apart from his regular salary and bonuses, that is based, all or in part, on the number or amount of sales, client referrals, or new accounts. Mr. Grizzle does not receive any economic benefit from anyone who is not a client for providing advisory services.

SUPERVISION

The Chief Compliance Officer ("CCO"), Charles Culver, supervises and monitors the advisory and personal trading activities of all supervised persons for compliance with federal and/or state securities laws. The CCO may be contacted at (757) 337-3599 or by email at cculver@martelloinvestments.com.

REQUIREMENTS FOR STATE-REGISTERED ADVISERS

Mr. Grizzle has not been involved or been found liable in any arbitration claims alleging damages in excess of \$2,500, in any civil, self-regulatory organization, or administration proceeding, or been subject of any bankruptcy petition.