

Acute Investment Advisory, LLC
Form ADV Part 2 Brochure



Acute Investment Advisory, LLC
4856 East Baseline Road
Mesa, AZ 85206
Telephone 480-223-2505
E-mail matt@acutewealthadvisors.com
Web site: www.acutewealthadvisors.com

Brochure last updated: January 25, 2019

This Form ADV Part 2A brochure provides information about the qualifications and business practices of Acute Investment Advisory, LLC. If you have any questions about the contents of this brochure, please contact us at 480-223-2505 or matt@acutewealthadvisors.com. The information in this brochure has not been approved or verified by the United States Securities and Exchange Commission or by any state securities authority. Additional information about Acute Investment Advisory, LLC also is available on the SEC's website at www.adviserinfo.sec.gov. Our CRD number is 170368. Acute Investment Advisory, LLC is a registered investment advisor. Registration as an investment advisor does not imply any certain level of skill or training.

Material Changes (Item 2)

This section of the brochure helps you quickly identify material changes from the last annual update.

This version of the Acute Investment Advisory, LLC Form ADV Part 2 updates information contained in Advisory Business: Assets Under Management (Item 4). Please review all parts of it, including any supplements.

Table of Contents (Item 3)

Material Changes (Item 2)..... 1

Advisory Business (Item 4).....4

 Types of Advisory Services4

 Types of Investments Used.....4

 Tailored Services and Investment Restrictions4

 Assets Under Management.....4

Fees and Compensation (Item 5).....4

 Compensation Methodology and Rates.....5

 How Clients Pay Advisory Fees5

 Other Types of Fees and Expenses6

 Additional Compensation6

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

Types of Clients (Item 7)7

 Individuals7

Methods of Analysis, Investment Strategies, and Risk of Loss (Item 8).....7

 Methods of Analysis.....7

 Risks7

Disciplinary Information (Item 9).....7

Other Financial Industry Activities and Affiliations (Item 10).....7

 Insurance Agents.....8

 Real Estate Agent.....8

 Other Investment Advisors8

Code of Ethics, Participation or Interest in Client Transactions, and Personal Trading (Item 11)8

 Code of Ethics8

Brokerage Practices (Item 12).....8

Review of Accounts (Item 13)8

 Reviews.....8

 Reports.....8

Client Referrals and Other Compensation (Item 14)9

 Referral Relationships.....9

Custody (Item 15)9

Investment Discretion (Item 16).....9

Voting Client Securities (Item 17).....9

Financial Information (Item 18).....9

Requirements for State-Registered Advisers (Item 19).....9

 Principal Executives.....10

 Matthew J. Deaton.....10

 Educational Background and Business Experience10

Disciplinary Information.....	10
Other Business Activities	10
Additional Compensation	10
Supervision.....	10
Damon B. Roberts	11
Educational Background and Business Experience	11
Disciplinary Information.....	11
Other Business Activities	11
Additional Compensation	11
Supervision.....	11
Privacy Statement.....	12

Advisory Business (Item 4)

This section of the brochure tells you about our business, including ownership, and a description of the services we offer.

Acute Investment Advisory, LLC is referred to in this document as “Acute Investment Advisory”, “the Company”, “us”, “we”, or “our”. In this document we refer to current and prospective clients of Acute Investment Advisory as “you”, “client”, or “your”. Acute Investment Advisory was created in 2014 and registered as an investment advisor in 2014 and is owned by its two principals, Matthew Deaton and Damon Roberts.

Types of Advisory Services

Selection of Other Advisors

In some situations we recommend that all or a portion of a client’s investment portfolio be actively managed by another investment advisor(s). These other advisors are reviewed and recommended by us to provide clients with expertise in a particular investment style, market segment or investment strategy. We consider your individual circumstances, needs, and objectives when recommending other advisors. The other advisors managing portions of your portfolio will charge a fee for these services. A detailed description of the other advisors’ services and fees is provided in their disclosure brochure. Our role is to oversee these other advisors to assure they perform their services as expected.

Damon Roberts and Matt Deaton are the Co-Directors of Arizona operations for the Foundation for Financial Education. (F3E) F3E's mission is to present workshops with the goal of spreading financial literacy by bringing educational resources directly to the public. The workshops try to provide current and relevant information. The workshops suggest actionable recommendations to enable individuals to take charge of their finances. The workshops never provide investment advice about securities or individualized investment advice.

Types of Investments Used

We don't recommend specific investments to our clients. We recommend other investment advisors that will provide day to day management of your account.

Tailored Services and Investment Restrictions

We attempt to tailor our recommendations to you based upon your situation as you have described it to us. This is why it is so important that you let us know about changes to your financial situation, goals, or investment time horizon.

Assets Under Management

As of January 25, 2019, Acute Investment Advisory does not directly manage any client assets on either a discretionary or non-discretionary basis.

Miscellaneous

The third party advisors that are recommended by Acute Investment Advisory manage or offer various portfolios designed with different objectives and risk profiles. We will work with you to determine your risk tolerance and financial objectives and will recommend a third party advisor based on your financial objectives.

Included with some of our accounts is a portfolio monitoring system called WealthGuard™. WealthGuard™ is a complete portfolio monitoring system designed by determining the amount of downside risk a client is willing to tolerate. WealthGuard™ will monitor the clients account to help protect from downside risk. WealthGuard™ is not a stop loss strategy. When the account value in the portfolio hits the targeted downside value, an alert is sent to the client, advisor, and money manager. The money manager trades the account as indicated on the WealthGuard™ agreement.

Matthew Deaton and Damon Roberts are the hosts of a weekly radio show called “Winning With Money” that airs on KTAR 92.3FM on Saturdays at 1:00pm. We discuss general topics related to investments, retirement strategies, financial planning, and other related topics. All information is for educational purposes only.

Fees and Compensation (Item 5)

This section of the brochure describes how we are compensated for the services we offer.

Compensation Methodology and Rates

Third Party Advisor Fees

Acute Investment Advisory intends to enter into agreements with various third party advisors. We will offer clients various types of programs sponsored by these third party advisors. We may help you select a particular third party advisor's service or program. The third party advisor provides the investment advice regarding the portfolio under their management. We provide investment advice regarding the selection and replacement of third party advisors.

Each third party advisor provides differing levels of service to clients. The fees you will pay depend upon the size and complexity of your investment portfolio and the services provided. Please refer to the Investment Advisory Agreement you have with the third party advisor to determine your actual fee. If you pay the third party advisor an investment advisory fee in advance and the advisory relationship is terminated, the third party advisor will refund a prorata portion of the fee that you paid to them. Acute Investment Advisory does not manage client investment portfolios or provide investment supervisory services. We are compensated by the third party investment advisor who shares a portion of the fee they charge.

We have currently entered into agreement with two third party advisors. The fee schedule for each advisor is listed below:

FormulaFolios Investments:

AUM	FormulaFolios Mgmt. Fee	Rep Fee
First <\$500,000	0.55%	0.75%
Next \$500,000 - \$1,000,000	0.50%	
Next >\$1,000,000	0.45%	

Watts Gwilliam & Company, LLC:

<u>Assets Under Management</u>	<u>Annual Fee</u>
<\$500,000	1.50%
\$500,000-\$999,999	1.25%
\$1,000,000-\$1,999,999	0.90%
>\$2,000,000	Negotiable

The rep fee that is shared with us is 50% of the annual fee.

How Clients Pay Advisory Fees

The other investment advisor(s) that we recommend might provide you with the option of directly deducting your fee from your account. You must authorize them to provide this service. We do not calculate or deduct their fees from your account. After you pay investment advisory fees to a third party advisor that we recommend, they will in turn pay a portion of that fee to us.

Other Types of Fees and Expenses

In addition to the investment advisory fees you pay to the other advisor, of which we will share in a portion of, you will pay transaction fees (commissions) to your custodian or broker-dealer for executing securities transactions and charges for special services elected by you or Acute Investment Advisory. These fees may include:

- periodic distribution fees
- electronic fund and wire transfer fees
- certificate delivery fees
- reorganization fees
- account transfer fees (outbound)
- returned check fees
- international security transfer fees
- overnight mail and check fees
- Rule 144 transfer fees
- transfer agent fees

This list is not meant to be all inclusive. Any fee on a special service incurred by the client will be fully disclosed. Please refer to Item 12 of this document for an explanation of our brokerage practices.

Investment Company Fees

Investment company funds (e.g., mutual funds or ETFs) that are held by you will bear their own internal transaction and execution costs, as well as directly compensate their investment managers along with internal administrative services. Some funds pay 12b-1 fees, distribution fees, and/or shareholder service fees to broker-dealers that offer investment company funds to their clients. These fees affect the net asset value of the fund shares and are indirectly borne by fund shareholders such as you.

Some fund companies have imposed a redemption fee. A redemption fee is another type of fee that some funds charge their shareholders when shares are sold or redeemed within a short period of time from the purchase of the fund shares. Although a redemption fee is deducted from redemption proceeds just like a deferred sales load, it is not considered to be a sales load. Unlike a sales load, which is generally used to compensate brokers, a redemption fee is typically used to defray fund costs associated with a shareholder's redemption and is paid directly to the fund, not to a broker. The SEC generally limits redemption fees to 2%. In most cases, the funds will use the "first-in, first-out" (FIFO) method to determine the holding period. Under this method, the date of the redemption will be compared with the earliest purchase date of shares held in the account.

A complete explanation of these charges is contained in the Prospectus and Statement of Additional Information for each investment company fund. You can get a prospectus through the investment company website, by telephone, or by mail.

Additional Compensation

Some of the owners of Acute Investment Advisory and its Investment Advisor Representatives are also licensed as insurance agents. During the course of providing services to a client, they may recommend that you purchase, sell, or hold an insurance product. Our investment advisor representatives, when acting as insurance agents, will receive compensation usually based upon the size (premium amount) and/or type of insurance product. The receipt of the fees and commissions creates a financial incentive for the investment advisor representatives to recommend one investment choice or insurance product over another. This incentive creates a potential conflict of interest between you and Acute Investment Advisory where the investment advisor representatives has an incentive to recommend investment products based on the compensation received, rather than on your needs. You acknowledge that the investment advisor representatives and Acute Investment Advisory will receive payment in addition to any investment advisory or financial planning fee(s) paid by you. To address these potential conflicts, we review the costs and expenses associated with investments selected for, or recommended to, you to assure that the costs incurred are reasonable with respect to the services provided. You are not obligated to follow any recommendation of Acute Investment Advisory or its representatives. If you choose to follow a recommendation, you are not obligated to use a Acute Investment Advisory representative to assist you in implementing any recommendation. Similar products and services are available from other sources.

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

This section of the brochure explains any performance-based fees we may charge you for and how they may be different from other clients' charges.

Acute Investment Advisory does not charge fees that are based upon a share of capital gains or capital appreciation of client assets. We provide services to other clients in addition to you. Not all clients receive the same advice, nor do they pay the same fee. We will act in the best interests of each of our clients at all times.

Types of Clients (Item 7)

This section of the brochure describes who we generally provide our services to.

Individuals

Acute Investment Advisory provides advisory services to a variety of types of clients including individuals, trusts, individual's pension plan accounts, and retirement plan trustees. We do not currently impose a minimum account size requirement.

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

This section of the brochure explains how we formulate our investment advice and manage client assets.

Methods of Analysis

Each portfolio referred to and managed by a third party advisor is designed to meet a particular investment goal that the third party advisor has determined is suitable for your circumstances. Once the appropriate portfolio has been determined by the third party advisor, the portfolio will be continuously managed based on the portfolio's goal, rather than on each client's individual needs.

Our knowledge of the third party advisors comes from publicly available sources and in some cases interviews with the third party advisors or their representatives. While we only recommend third party advisor that we feel will be suitable, you must form your own opinion and choose whether or not to hire the third party manager.

Risks

General Risks to Investing

Investing is not without risk, and involves the risk of loss of principal which you should be prepared to bear. The third party advisors that provide the day-to-day management of your account try to reduce risk by diversifying your portfolio across multiple asset classes.

Despite this strategy, historical evidence clearly shows that every asset class has experienced severe declines in value—sometimes sustained over many years—throughout several periods of time in history. In addition, the benefits of diversification decline if asset classes become more correlated.

As with any investment, you could lose all or part of your investments managed by the third party advisor we introduce you to.

Specific Risks

You should refer to the Risk section (Item 8) of the Brochure for the third party advisor that you choose to manage your account for a complete discussion of the risks associated with their investment analysis and strategies.

Disciplinary Information (Item 9)

This section of the brochure lists legal and disciplinary information for Acute Investment Advisory, its owners, and management team.

Neither Acute Investment Advisory nor any of our owners or management team members has been involved in any civil or criminal investment-related events.

Other Financial Industry Activities and Affiliations (Item 10)

This section of the brochure describes other financial services industry affiliations we may have that could present a conflict of interest with you.

We want you to know that there are certain entities with which Acute Investment Advisory has relationships that may give rise to conflicts of interest, or the appearance of conflicts of interest.

Acute Investment Advisory may receive referrals of potential clients from individuals who are shareholders in the firm of Acute Wealth Advisors, LLC. We are affiliated with Acute Wealth Advisors, LLC through common ownership. This affiliation through common ownership creates a financial incentive for shareholders of the firm Acute Wealth Advisors, LLC, to refer clients to us. The financial incentive to make successful referrals creates a conflict of interest between the potential clients, Acute Investment Advisory and shareholders of the firm Acute Wealth Advisors, LLC and vice versa.

Insurance Agents

Acute Investment Advisory's investment advisor representatives may provide advice about matters other than securities. Our investment advisor representatives may also act as insurance agents. As insurance agents, they will receive compensation based upon whether or not, and in what amount, clients purchase insurance products through them. Approximately 50% of the individuals' time will be spent on insurance related activities.

Other Investment Advisors

As described in Item 14 of this document, we refer clients to other investment advisors. If clients hire the other advisor(s), we receive a portion of the fee clients pay to these other advisors. The portion of the fee we receive creates a financial incentive for us to refer you to investment advisors that we have agreements with to share in their fee. Because other investment advisors' fees vary, and we receive a portion of their fees, we have a financial incentive to recommend other investment advisors that have higher fees. This creates a conflict of interest between you and us. We always strive to place clients' best interests first and assure the fees you pay are reasonable in relation to the services you receive.

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

This section of the brochure describes our code of ethics, and how we deal with client and related person trading.

Code of Ethics

We have adopted a code of ethics designed to prevent and detect violations of securities rules by our employees and affiliated persons. Our controls in this area focus upon securities transactions made by our employees that have access to material information about the trading of Acute Investment Advisory. We will provide a copy of our code of ethics to clients or prospective clients upon request.

Brokerage Practices (Item 12)

This section of the brochure describes how we recommend broker-dealers for client transactions.

Acute Investment Advisory does not recommend any specific broker-dealer or custodian. We only recommend other investment advisors who might recommend a specific broker-dealer. You are encouraged to review the other investment advisor's disclosure brochure to learn about their brokerage practices.

Brokerage for Client Referrals

Acute Investment Advisory does not have any agreements in place where securities transactions are directed to particular broker-dealers in exchange for client referrals.

Review of Accounts (Item 13)

This section of the brochure describes how often client accounts are reviewed and by whom.

Reviews

Acute Investment Advisory reviews your account(s) on a quarterly basis. The reviews are conducted by our firm's investment advisor representative(s). Your accounts are reviewed at least quarterly for proper asset allocation to assure they comply with your investment objectives and mandates.

Reports

Acute Investment Advisory does not prepare or send written reports to all clients. We have arranged for your independent qualified account custodian or the other advisor you have hired to prepare and distribute account statements directly to you on no less than a quarterly basis. These account statements describe all activity in the clients' accounts including account holdings, transactions, and investment advisory fees deducted from the account.

Client Referrals and Other Compensation (Item 14)

This section of the brochure discloses our arrangements with people who are compensated for referring us business.

Referral Relationships

Acute Investment Advisory has entered into agreements with various third party investment advisors to provide investment management services for its client portfolios. Depending on suitability, we may help you select a particular third party investment advisor service or program. In this situation, the third party investment advisor provides the investment advice for your portfolio, and Acute Investment Advisory provides advice regarding the selection and replacement of the third party investment adviser. Acute Investment Advisory and/or your investment advisor representative receive compensation from the third party advisers for referring you to them. The form and amount of compensation is disclosed to you in a separate disclosure document provided by the third party manager. We are compensated in one of two possible ways. Some third party investment advisors compensate us by sharing a percentage of the investment advisory fee charged by that investment manager or a fixed fee. In these cases you don't pay any more than you would have had you found and hired the third party investment advisor without our assistance. In other situations, third party investment advisors charge their regular fee based upon the value of your account and in addition deduct an additional fee that they will send to us. In situations where our fee is in addition to the fee of the third party investment advisor, you will pay a higher total fee than you would have had you found and hired the third party investment advisor without our assistance. Because Acute Investment Advisory and our representatives receive compensation from these investment managers for referring clients, and because this compensation may differ depending on the individual agreement with each third party investment manager, Acute Investment Advisory and the representative may have an incentive to recommend the investment managers that provide more favorable compensation arrangements. This financial incentive creates a conflict of interest where your interests might not be aligned with ours.

You may hire third party advisors directly, without our assistance.

Custody (Item 15)

This section of the brochure encourages you to check the statements sent to you by your account custodian to ensure the accuracy of the fee calculation.

Acute Investment Advisory does not have the ability or permission to deduct fees or access any funds from your account. We do not calculate, deduct, or control the fees you pay to the third party advisor.

Investment Discretion (Item 16)

This section of the brochure discloses the power we have to make trades in your account.

Acute Investment Advisory does not have the ability or permission to make trades in your account.

Voting Client Securities (Item 17)

This section of the brochure explains our proxy voting policy and your ability to get proxy voting information from us.

Acute Investment Advisory will not vote proxies for securities held in your investment account. Your account custodian or transfer agent will send proxy statements directly to you. If the investment account is for a pension or other employee benefit plan governed by ERISA, you direct us not to vote proxies for securities held in the account, because the right to vote such proxies is expressly reserved for you or your plan fiduciary not Acute Investment Advisory.

Financial Information (Item 18)

This section of the brochure is where investment advisors that collect more than \$500 in fees per client and six months or more in advance would include a balance sheet.

Acute Investment Advisory is not aware of any circumstance that is reasonably likely to impair our ability to meet contractual commitments to you or our other clients. We do not require pre-payment of investment advisory fees of greater than \$500 and more than six months in advance.

Requirements for State-Registered Advisers (Item 19)

This section is where state registered advisors disclose any further information required by the state that has not been previously disclosed.

Principal Executives

Each of our principal executive officers and management persons are also owners and listed in Item 4 of this brochure.

Matthew J. Deaton

Educational Background and Business Experience

Matthew Deaton was born in 1977. He attended Arizona State University where he earned a Bachelor of Science degree in Finance. He also completed his Masters in Business Administration at Arizona State University.

Business Experience

- Acute Investment Advisory, March 2014 to present, Member
- Acute Financial, February 2009 to present, Member
- Acute Wealth Advisors, February 2017 to present, Member

Disciplinary Information

Registered investment advisers are required to disclose all material facts regarding any legal or disciplinary events that would be material to your evaluation of each supervised person providing investment advice. Matthew Deaton has no legal or disciplinary events related to the financial services industry and has not been the subject of a bankruptcy petition.

However, state regulators require that all formal investigations and disciplinary actions taken by regulators, customer disputes, certain criminal charges and/or convictions, as well as any IAR's financial disclosures, such as bankruptcies and unpaid judgments or liens, be filed with FINRA. If this type of information would be material to your decision to do business with Acute Investment Advisory, LLC please refer to SEC's website at www.adviserinfo.sec.gov for more information about Damon Roberts.

Other Business Activities

In addition to his activities at Acute Investment Advisory, Matthew Deaton is an owner of the firm Acute Wealth Advisors, LLC where he provides retirement planning, insurance sales and support services. These other activities comprise the majority of his time and his compensation. Matthew Deaton is also a member of The Deaton Group, LLC which is licensed to sell insurance in the State of Arizona. Matthew Deaton is also a member of the following Limited Liability Corporations: Equity Point, LLC, , VOSE Holdings, LLC, Coolidge 88, LLC, and Matthew J Deaton, PLC. These entities are designed to hold various real estate holdings. Matthew Deaton is also a member of Permanent Makeup by Katie, LLC.

Additional Compensation

Matthew Deaton's compensation comes from Acute Investment Advisory, The Deaton Group, LLC and Acute Wealth Advisors, LLC. This additional compensation comprises the majority of his compensation.

Insurance

Matthew Deaton is also licensed as an insurance agent. As an insurance agent he will receive compensation usually based upon the size (premium amount) and/or type of insurance product. Because the commission compensation varies between investment options, Matthew Deaton has a financial incentive to recommend one insurance product over another. This financial incentive creates a potential conflict of interest between you, Matthew Deaton and Acute Investment Advisory.

Supervision

Acute Investment Advisory supervises its investment advisor representatives through a system of internal control procedures overseen by our Chief Compliance Officer, Matthew Deaton. This oversight includes review of client portfolios, investment advisor representative personal securities transactions, and correspondence. You can reach him at 480-620-6907.

Damon B. Roberts

Educational Background and Business Experience

Damon Roberts was born in 1974. He attended Brigham Young University where he earned a Bachelor of Science degree in Psychology. He also received a Masters of Science degree in Social Work from Arizona State University.

Business Experience

- Acute Investment Advisory, September 2014 to present, Member
- Acute Financial, February 2009 to present, Member
- Acute Wealth Advisors, February 2017 to present, Member

Disciplinary Information

Registered investment advisers are required to disclose all material facts regarding any legal or disciplinary events that would be material to your evaluation of each supervised person providing investment advice. Damon Roberts has no legal or a disciplinary event related to the financial services industry and has not been the subject of a bankruptcy petition.

However, state regulators require that all formal investigations and disciplinary actions taken by regulators, customer disputes, certain criminal charges and/or convictions, as well as any IAR's financial disclosures, such as bankruptcies and unpaid judgments or liens, be filed with FINRA. If this type of information would be material to your decision to do business with Acute Investment Advisory, LLC please refer to SEC's website at www.adviserinfo.sec.gov for more information about Damon Roberts.

Other Business Activities

In addition to his activities at Acute Investment Advisory, Damon Roberts is an owner of the firm Acute Wealth Advisors, LLC where he provides retirement planning, insurance sales and support services. These other activities comprise the majority of his time and his compensation. Damon Roberts is also a member of Acute Companies, LLC and Acute Financial, LLC which is license to sell insurance in the State of Arizona.

Additional Compensation

Damon Roberts' compensation comes from Acute Investment Advisory, Acute Financial, LLC and Acute Wealth Advisors, LLC. This additional compensation comprises the majority of his compensation.

Insurance

Damon Roberts is also licensed as an insurance agent. As an insurance agent he will receive compensation usually based upon the size (premium amount) and/or type of insurance product. Because the commission compensation varies between investment options, Damon Roberts has a financial incentive to recommend one insurance product over another. This financial incentive creates a potential conflict of interest between you, Damon Roberts and Acute Investment Advisory.

Supervision

Acute Investment Advisory supervises its investment advisor representatives through a system of internal control procedures overseen by our Chief Compliance Officer, Matthew Deaton. This oversight includes review of client portfolios, investment advisor representative personal securities transactions, and correspondence. You can reach him at 480-620-6907.

Privacy Statement

We, like other professionals who advise on personal financial matters, are required by federal law to inform our clients of our policies regarding the privacy of client information.

In the course of providing our clients with certain advice, we may receive nonpublic personal financial information such as financial statements, account statements, and tax returns from our clients, their accountants and other representatives. All nonpublic personal information that we receive regarding our clients or former clients is held in strict confidence in accordance with our professional obligations, and is not released to people outside Acute Investment Advisory, except with your consent, as required by law, or to explain our actions to professional organizations that we are members of. We may share certain information with third parties who assist us in providing our services to you (such as administrative and client service functions) or marketing services, as permitted by law, subject to the obligation of these third parties not to use or disclose such information for any other purpose.

We retain records relating to professional services that we provide so that we are better able to assist you with your professional needs and, in some cases, to comply with professional guidelines. In order to guard your nonpublic personal information from unauthorized disclosure, we maintain physical, electronic, and procedural safeguards.