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# FORM ADV PART 2A

## 2018



### BLUEFIN INVESTMENT MANAGEMENT, LLC

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This brochure provides information about the qualifications and business practices of Bluefin Investment Management, LLC. If you have any questions about the contents of this brochure, please contact us at (904) 834-3309. 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 Bluefin Investment Management, LLC also is available on the SEC's website at [www.adviserinfo.sec.gov](http://www.adviserinfo.sec.gov).

Bluefin Investment Management, LLC is considered a "registered investment adviser." That registration does not imply a certain level of skill or training.

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## **Item 2      Material Changes**

In May of 2017, Bluefin Investments added a charitable arm to its business for philanthropically-minded clients. The Local Philanthropic Fund is a 501(c)(3) public charity that sponsors a donor advised fund. The Tax ID number is: 81-5130625. Bluefin manages the investments in the donor advised fund.

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## **Item 4      Advisory Business**

Bluefin Investment Management, LLC ("Bluefin Investments," "Bluefin," or "We") first opened its doors in 2009 and is owned solely by Brian Russell. Bluefin provides investment management services on a discretionary basis as stated in the investment advisory agreement. We primarily manage portfolios for individuals, retirement accounts (IRA's, pension and profit sharing plans, etc.), trusts, institutions, and estates. We attempt to customize each portfolio to each respective client's specific risk tolerance, time horizon and specific goals. Below are the guidelines that are followed when managing a client's portfolio:

- 1) Client investment objectives are identified by assessing the client's risk tolerance based upon their age, income, education, need for cash flows, investment goals, and emotional tolerance for volatility. The information provided by the client will be collected during client meetings, interviews, and/or questionnaires.
- 2) After analyzing a client's financial situation and formulating a strategy, we implement the investment strategy through an optimal combination of investments.
- 3) Capital market conditions and client circumstances are monitored.
- 4) Portfolio adjustments are made as appropriate to reflect significant changes in any or all of the above variables.

Beginning in 2017, Bluefin added a charitable arm to its business for philanthropically-minded clients. The Local Philanthropic Fund is a 501(c)(3) public charity that sponsors a donor advised fund. The Tax ID number is: 81-5130625. Donations to the donor-advised fund qualify as a charitable contribution and are eligible for a federal income tax deduction. Bluefin manages the investments in the donor advised funds.

Every client relationship is based solely on that client's satisfaction with the service provided by Bluefin Investment Management, LLC. A client may end the relationship at any time and receive a pro-rated refund on any prepaid fees. Upon termination, any unearned fees charged for advisory services will be refunded on a prorated basis.

## **Item 5      Fees and Compensation**

Asset based management fees will be charged monthly in arrears based on a percentage of the client's assets under management at the end of the calendar month. The monthly fees shall be calculated based upon the fair market value of the portfolio assets of the account as of the last business day of each monthly period. This agreement may be terminated within five business days of its signing without penalty and a full refund, if any fee has been paid, will be provided.

The compensation for our services, which include developing and implementing an investment policy and objectives, monitoring a client's investment results, and reporting to the client on a quarterly basis, is based on the client type and is as follows:

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INDIVIDUALS:

0.72% on assets up to \$500,000  
0.60% on accounts above \$500,000

Accounts are charged on a monthly basis, which results in a monthly fee of 0.06% for accounts under \$500,000 or 0.05% on accounts above \$500,000.

*For example, an account of \$100,000 will pay an annual fee of \$600, or \$50 per month.*

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NONPROFITS:

Positive month: 0.06% charge  
Negative month: 0% charge

*A fee is only charged if the account increased in value over that month*

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DONOR ADVISED FUNDS:

Positive month: 0.08% charge  
Negative month: 0.04% charge

*For example, an account of \$100,000 would have a fee of \$80 if the account value is higher on the month and \$40 if it is lower.*

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Custodian services are provided by Interactive Brokers, who charge a \$10 monthly fee for their services. This includes free trading for commissions below that threshold and a small per-trade cost when exceeding it. Bluefin Investments receive no compensation or kickbacks from our custodian, eliminating potential conflicts of interest.

Active-duty military members and veterans are eligible for reduced rates. Rate is determined at the discretion of Bluefin Investments.

Investment advisory services begin with the effective date of the Agreement, which is the date the client signs the Investment Advisory Agreement. Fees will generally be deducted directly from the client's brokerage account pursuant to a written agreement. If the account does not contain sufficient funds to pay advisory fees, Bluefin has limited authority to sell or redeem securities in sufficient amounts to pay advisory fees. We reserve the right to adjust the fee schedule for accounts depending on the size and type of account and the services required.

Each time a fee is deducted from a client account, we will send an invoice of the amount of the fee to be deducted from the client's account, plus include the formula used to calculate the fee,

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the amount of assets under management on which the fee is based, and the time period covered by the fee.

Clients should be advised that certain strategies used may result in client assets being held in cash and cash equivalents for varying periods of time, which may be substantial particularly under certain market conditions. Assets held in cash and cash equivalents are included in the calculation of the fee.

Advisory fees charged by Bluefin are separate and distinct from fees and expenses charged by exchange traded funds and mutual funds, which may be recommended to clients. A description of these fees and expenses are available in each fund's prospectus. Clients should review all fees charged by Bluefin, custodians and brokers and others to fully understand the total amount of fees incurred.

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

We do not charge any fees based on performance.

## **Item 7      Types of Clients**

Bluefin Investment Management, LLC primarily manages portfolios for individuals, retirement accounts (IRA's, pension and profit sharing plans, etc.), trusts, institutions, and estates. There is a \$5,000 minimum asset level required when opening an account.

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

We believe most investors benefit from a simple, well-diversified portfolio of index funds and ETF's and structure our portfolios in this manner. In the long run, these investments tend to outperform their actively-managed counterparts, especially when fees and taxes are considered. For higher net worth investors, this strategy serves as a foundation while individual stocks and bonds are added to potentially increase returns and reduce risk.

At Bluefin, we search for investment opportunities around the globe and in various asset classes. This flexibility allows us to maneuver our portfolios as market conditions change. Additionally, our allocation to these various assets classes is customized to the risk level and objectives of each individual client.

In order to properly create a client portfolio, we must first determine individual risk levels and objectives. This establishes a base around which the portfolio is formed. By combining these objectives with our investment outlook, we construct a portfolio designed to outperform in the long run, while minimizing investment risks.

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Our portfolios are typically created with ETF's and index funds, while larger accounts include individual stocks and bonds. Trading costs can reduce returns, so purchasing many securities in smaller accounts is usually not feasible. Cost minimization is a major contributor to long term outperformance.

Once the portfolio is created, we continuously monitor the investments for any changes. As conditions change, we modify the investment portfolio accordingly. We like to focus on long term investments, but will occasionally make short term adjustments when needed.

To a larger degree than individual investors, institutional investor basic portfolios adopt principles from a “core and satellite” approach. Core investments provide the portfolio foundation and are usually index funds or ETF’s that follow a broad index. Individual securities and sector specific, country, or commodity ETF’s are added as satellite investments. For liability-driven investors, these beta and alpha segments can be separated and stand alone in a portfolio.

In determining specific investments, our process looks to first identify long-term trends. We research asset classes and sectors that should profit during that scenario. Through fundamental analysis, we determine specific undervalued investments to include in the portfolio. Technical analysis has a large impact on our buy and sell indicators. Our portfolios are relatively concentrated (usually 20-30 positions or less), but can always be adapted to specific requirements.

There is the possibility that the value of equity securities may decline due to daily fluctuations in the securities markets. Stock prices change daily as a result of many factors, including developments affecting the condition of both individual companies and the market in general. The price of a stock may even be affected by factors unrelated to the value or condition of its issuer, such as changes in interest rates, national and international economic and/or political conditions and general equity market conditions. In a declining stock market, prices for all companies may decline regardless of their long term prospects.

## Risk Factors

The investments in which Bluefin Investments will generally engage involve significant trading risks. No assurance can be given that investors will realize a profit on their investment. Moreover, accounts may lose some or all of its investment. Because of the nature of the investment activities, the results of the operations may fluctuate from month to month and from period to period. Accordingly, investors should understand that the results of a particular period will not necessarily be indicative of results in future periods.

*General Risks.* All securities investments risk the loss of capital. The nature of the securities to be purchased and traded by Bluefin Investments and the investment techniques and strategies to be employed by it may increase such risk. Moreover, the identification of investment opportunities is a difficult task, and there can be no assurance that such opportunities will be successfully recognized. While Bluefin will devote its best efforts to the management of every

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portfolio, there can be no assurance that it will not incur losses. Returns generated from the investments may not adequately compensate for the business and financial risks assumed.

*Market Risk and Lack of Diversification.* Substantial risks are involved in the acquisition or disposition of securities. Securities and their issuers are affected by, among other things: changing supply and demand; Federal, state and governmental laws, regulations and enforcement activities; trade, fiscal and monetary programs and policies; and national and international political and economic developments. The concentration of assets in particular types of investments could subject the assets to increased volatility. The securities in which Bluefin may invest may be regarded as of high risk. Such securities are subject to a number of risk factors, including market volatility, creditworthiness of the issuer, liquidity of the secondary trading market, and availability of market quotations.

*Risk of Underperformance.* Certain investments may favor investments that are out of favor with the majority of investors at that time. Because Bluefin intends to implement and remain committed to an investing strategy, there may be quarters or years where investment results underperform market averages or other investment strategies. These periods of underperformance may be particularly apparent in speculative bull markets.

*Short Selling.* Short positions may be used generally as a hedge against potential market declines, or may be used opportunistically as a profit opportunity. We may also seek opportunities to sell short the securities of companies, whose stock prices appear to be excessive in relation to prospective earnings growth or intrinsic value. A short sale may present greater risk than a traditional security purchase.

*Portfolio Turnover.* Bluefin portfolios generally don't have high portfolio turnover, however, to the extent certain strategies become a larger part of the investment strategy, portfolio turnover may be high. Typically, high portfolio turnover results in correspondingly high transaction costs, including brokerage commission expenses.

*Conflicts of Interest.* Operation of Bluefin Investments does not create any conflicts of interest.

## **Item 9        Disciplinary Information**

There have been no disciplinary events related to Bluefin Investment Management, LLC or Brian Russell.

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

There are no outside activities which would be applicable to this Item.

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## **Item 11      Code of Ethics**

At Bluefin Investment Management, LLC, we may buy or sell investment products recommended to clients. Records will be maintained of all securities bought or sold by us, associated persons or related entities. Such records will be available for inspection upon request.

It is quite natural that we may own, buy, or sell most of the same securities that is recommended clients own, buy, or sell. However, both as a matter of policy and a matter of practice, personal transactions do not conflict with client interests. Since each client's portfolio is different and each client has different objectives, there are a limited number of times when we buy or sell the same security for both clients and ourselves, but on those occasions, clients orders are placed first, or a block trade is done combining all transactions. We will not trade for ourself or related persons with the intent of benefiting from or negatively affecting client trades, although that may be the effect of such trading. Additionally, being a small firm, it's very unlikely that any of our transactions could be regarded as large enough to move the market.

We have a fiduciary duty to clients to act in the best interest of the client and always place the client's interests first and foremost. Bluefin takes seriously its compliance and regulatory obligations and requires all staff to comply with such rules and regulations as well as our own policies and procedures. Further, we strive to handle non-public information in such a way as to protect information. As such, we maintain a Code of Ethics for our business. The Code of Ethics contains provisions for standards of business conduct in order to comply with applicable securities laws, personal securities reporting requirements, pre-approval procedures for certain transactions, code violations reporting requirements, and safeguarding of material non-public information about client transactions. Further, Bluefin's Code of Ethics establishes expectations for business conduct. A copy of our Code of Ethics can be provided to any Client or prospective Client upon request.

## **Item 12      Brokerage Practices**

Bluefin Investment Management, LLC has authority to determine the type and amount of securities to be bought and sold, and the broker/dealer to be used without obtaining specific client consent. In the course of providing our services, we will execute trades for our clients through broker-dealers. When a client has given us broker discretion, there is no restriction on the brokers we may select to execute client transactions. However, we will only execute client transactions through broker-dealers that are properly registered or exempt from registration in the jurisdiction in which the client resides. Our general guiding principle is to trade through broker-dealers who offer the best overall execution under the particular circumstances.

With respect to execution, we consider a number of factors, including if the broker has custody of client assets, the actual handling of the order, the ability of the broker-dealer to settle the trade promptly and accurately, the financial standing of the broker-dealer, the ability of the broker-dealer to position stock to facilitate execution, our past experience with similar trades, and other factors which may be unique to a particular order. Based on these judgmental factors, we may trade through broker-dealers that charge fees that are higher than the lowest available fees.

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Although we maintain discretion on these accounts, we must adhere to the client's investment objectives including any investment restrictions or allocation guidelines.

In addition, broker-dealer fees may vary and be greater than those typical for similar investments if we determine that the research, execution, and other services rendered by a particular broker merit greater than typical fees. Also, in certain instances we may execute over the counter securities transactions on an agency basis, which may result in advisory clients incurring two transaction costs for a single trade: a commission paid to the executing broker-dealer plus the market makers mark-up or mark-down.

Orders for the same security entered on behalf of more than one client will generally be aggregated (bunched) subject to the aggregation being in the best interests of all participating clients. Subsequent orders for the same security entered during the same trading day may be aggregated with any previously unfilled orders; filled orders shall be allocated separately from subsequent orders. All clients participating in each aggregated order shall receive the average price and if applicable, pay a pro-rata portion of commissions. Transactions are usually aggregated to seek a lower commission, lower costs, or a more advantageous net price.

A client may direct Bluefin in writing to use a particular broker/dealer to execute all transactions for client's account. When a client selects the broker to be used for their account, the commission rates are decided upon between the client and his broker. In addition, we do not have any responsibility for obtaining for the client from any such broker the best prices or particular commission rates, and the client may not obtain rates as low as it might otherwise obtain.

In seeking the best execution at low prices, Bluefin has arrangements with Interactive Brokers. The determinative factor is not necessarily the lowest possible costs, but whether the transaction represents the best execution, as well as a full range of services provided. We will recommend Interactive Brokers Dealer services and other Broker Dealers to clients who have or are utilizing our advisory services.

The client will, then, be instructed to open the account directly with the custodian. The client will give trading authorization of securities to be bought and sold to Bluefin Investments. The Broker Dealer will execute the orders and provide customer statements and confirmations.

In addition, the Broker Dealer will maintain custody of all account assets and perform all custodial functions, including crediting of interest and dividends on account assets. This does not limit a client from using other broker/dealer custodians. If they choose to do so, commissions may be earned which may be higher or lower than commission rates found at other Broker/Dealers.

## **Item 13      Review of Accounts**

Once the portfolio is created, we continuously monitor the investments for any changes, both fundamentally and technically. As conditions change, we modify the investment portfolio

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accordingly. We like to focus on long term investments, but will make short term adjustments when needed.

A statement is provided to the client on a monthly basis detailing valuations and activity for the month. A detailed quarterly statement is provided, highlighting performance measurements. In addition, weekly market commentaries are provided to the clients that discusses events in the market and our outlook.

#### **Item 14      Client Referrals**

Bluefin Investment Management, LLC does not provide compensation for referrals, although they are certainly appreciated.

#### **Item 15      Custody**

We do not maintain custody of client funds.

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

Bluefin Investment Management, LLC has authority to determine the type and amount of securities to be bought and sold, and the broker/dealer to be used without obtaining specific client consent. In the course of providing our services, we will execute trades for our clients through broker-dealers.

Although we maintain discretion on these accounts, we must adhere to the client's investment objectives including any investment restrictions or allocation guidelines.

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

We do not maintain voting authority for client securities held at our firm.

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

Bluefin does not require prepayments of six months or longer and has no minimum charge or fees.

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## Item 19      Requirements of State Registration

Principal executive officer:

Brian Russell

Formal Education:

Belmont Abbey College, B.S. in Finance

University of South Florida, MBA with an advanced concentration in Finance

Business Background:

Aug 2009 - Present:                      Bluefin Investment Management, LLC

Aug 2007 - Aug 2009:                  Aon Investment Consulting

Sept 2005 - Aug 2007:                Cassedy Financial Group

June 2004 - May 2005:                Merrill Lynch

September 2000 - June2004:        PaineWebber (now UBS)