



**Item 1 – Cover Page**

**Form ADV Part 2A Disclosure Brochure**

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This brochure provides information about the qualifications and business practices of FolioMetrix, LLC. If you have any questions about the contents of this brochure, please contact Julie Koethe at 402-495-0010 or [juliekoethe@foliomx.com](mailto:juliekoethe@foliomx.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 FolioMetrix, LLC is also available on the Internet at [www.adviserinfo.sec.gov](http://www.adviserinfo.sec.gov). You can view our firm's information on this website by searching for FolioMetrix, LLC. You may search for information by using the firm's CRD number. The CRD number for FolioMetrix, LLC is **150084**

\*Registration as an investment advisor does not imply a certain level of skill or training.

## **Item 2 – Material Changes**

Folio Metrix's last annual update to this Form ADV Part 2A Disclosure Brochure was in March 2013. Since the annual update filing made in March 2013, the following material changes have been made to this 2A Disclosure Brochure:

- a) In May 2013, we added language to describe the Wrap Fee Management Program, which is a new advisory service offering. Regarding the Wrap Fee Management Program, we have added language at Item 4-Advisory Business, Item 5-Fees and Compensation, Item 7-Types of Clients, Item 12-Brokerage Practices, Item 13-Review of Accounts, Item 15-Custody, and Item 16-Investment Discretion.
- b) In May 2013, we revised the language at Item 17-Voting Client Securities.
- c) In May 2013, we updated the reported amount of assets under management at Item 4-Advisory Business.
- d) In May 2013, we updated Item 12-Brokerage Practices to add TD Ameritrade Platform Language and to remove language that described the TD Ameritrade Additional Services program as FolioMetrix is not currently participating in that Additional Services program.
- e) In May 2013, we made updates related to name changes as follows:
  - (1) All FMX Funds are now referred to as RiskX Funds, abbreviated as Rx Funds. For example, the ISM Dividend Income Fund is now referred to to the Rx Dividend Income Fund.
  - (2) Investment Strategy Models (ISMs) are now referred to as Strategy Models and we are no longer using the acronym "ISM".
  - (3) Multi Strategy Portfolios (MSPs) are now referred to as RiskX Portfolios.

Below is a more detailed summary of all the name change updates made as of May 2013:

### **Fund Name Changes:**

- FMX Funds are now RiskX Funds
  - ISM Dividend Income Fund is now Rx Dividend Income Fund
  - ISM Dynamic Growth Fund is now Rx Dynamic Growth Fund
  - ISM Dynamic Total Return Fund is now Rx Dynamic Total Return Fund
  - ISM High Income Fund is now Rx High Income Fund
  - ISM Non Traditional Fund is now Rx Non Traditional Fund
  - ISM Premier Asset Management Fund is now Rx Premier Managers Fund
  - ISM Global Alpha Tactical Fund is now Rx Tactical Rotation Fund
  - ISM Tax Free Fund is now Rx Tax Advantaged Fund
  - ISM Strategic Equity Fund is now Rx Traditional Equity Fund
  - ISM Strategic Fixed Income Fund is now Rx Traditional Fixed Income Fund

### **Models/Portfolios Description Changes:**

- Investment Strategy Models (ISMs) are now Strategy Models, no acronym
  - FMx Dividend Income Investment Strategy Model is now Dividend Income Strategy Model
  - FMx Dynamic Growth Investment Strategy Model is now Dynamic Growth Strategy Model

- FMx Dynamic Total Return Investment Strategy Model is now Dynamic Total Return Strategy Model
- FMx High Income Investment Strategy Model is now High Income Strategy Model
- FMx Non Traditional Investment Strategy Model is now Non Traditional Strategy Model
- FMx Premier Asset Management Investment Strategy Model is now Premier Managers Strategy Model
- FMx Global Alpha Tactical Investment Strategy Model is now Tactical Rotation Strategy Model
  - In September 2013, we revised the language to accurately describe the type of services provided by F-Squared to the Tactical Rotation Strategy Model.
- FMx Tax Free Investment Strategy Model is now Tax Advantaged Strategy Model
- FMx Strategic Equity Investment Strategy Model is now Traditional Equity Strategy Model
- FMx Strategic Fixed Income Investment Strategy Model is now Traditional Fixed Income Strategy Model
- Multi Strategy Portfolios (MSPs) are now RiskX Portfolios, no acronym
  - FMX Focused Accumulation Multi Strategy Portfolios are now Accumulation Portfolios
  - FMX Focused Income Multi Strategy Portfolios are now Income Portfolios
  - FMX Tax Managed Multi Strategy Portfolios are now Tax Managed Portfolios

We will ensure that you receive a summary of material changes, if any, to this and subsequent disclosure brochures within 120 days after our fiscal year ends. Our fiscal year ends on December 31 so you will receive the summary of material changes, if any, no later than April 30 each year. At that time we will also offer a copy of the most current disclosure brochure. We may also provide other ongoing disclosure information about material changes as necessary.

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## **Item 4 – Advisory Business**

### **Description of Advisory Firm**

FolioMetrix, LLC (“FolioMetrix” or “FMx” or “the firm” or “we”) is an investment advisor registered with the United States Securities and Exchange Commission (“SEC”) and is a Limited Liability Company (“LLC”) formed under the laws of the State of Oregon. FolioMetrix was formed in February, 2009 and has been registered as an investment advisor with the SEC since July, 2009.

FolioMetrix, LLC is a wholly owned operating subsidiary of Uptrade Research Associates, LLC.

### **Types of Advisory Services**

FolioMetrix provides portfolio design, construction and workflow management solutions primarily to investment advisor groups, portfolio modeling services for 401K Plans and Plan Participants, and investment companies. FolioMetrix offers the following advisory services to its clients:

#### ***Investment Management Outsourcing (IMO)***

##### **Nondiscretionary Services**

FolioMetrix serves as an investment management outsourcing company to most of its clients. In this role, FolioMetrix provides research, analysis and makes recommendations to investment advisors; it does not have investment discretion over investment assets.

As an IMO, FolioMetrix generally assists its clients in:

- Developing and reviewing investment policies
- Determining appropriate asset allocations (both strategic and tactical)
- Evaluating and making investment manager recommendations
- Monitoring the performance of designated portfolios

Most of FolioMetrix investment recommendations relate to the retention and termination of investment managers, and investments in “traditional” investments (mutual funds, ETFs and separately managed accounts) and “alternative” investments (limited partnership and limited liability company investment funds, hedge funds and private market funds).

For some of its IMO clients, FolioMetrix provides only subscription services that represents a portion of the IMO services described above (e.g. providing financial advisors solely with regular portfolio research and design recommendations through a monthly publication and regular communications).

For certain clients, FolioMetrix designs, constructs and maintains a full spectrum of privately branded investment portfolios tailored for an array of investment objectives and risk tolerances. These customized portfolios are constructed in accordance with the parameters established through a collaborative process with financial advisory groups. The minimum asset size for a private brand portfolio program generally is \$100 million AUM per group.

Most clients for whom FolioMetrix provides IMO services receive monthly performance analytics and, from time to time, receive FolioMetrix research and white paper publications.

## **Discretionary Services**

Occasionally, FolioMetrix provides financial advisor groups with the services described above, but also has discretion, on behalf of some clients, to retain and terminate investment managers and to invest account assets in, and withdraw assets from, registered funds (e.g., mutual funds, ETFs). FolioMetrix provides these services to clients who are referred to FolioMetrix through investment adviser groups and registered representatives of unaffiliated independent Broker-Dealers and Registered Investment Advisers known as “Solicitors”. A prospective client that becomes a client of FolioMetrix as a direct result of the solicitor is identified as a “Solicited Client.”

Services for the solicited client require the solicitor, through its representatives, to introduce and assist the client in establishing a relationship with FolioMetrix. The services include periodic contacts, being available to answer client inquiries, updating client information, meeting at least annually to determine if there is a change in the client’s financial situation, and assisting the prospective client in understanding the services provided by FolioMetrix.

FolioMetrix’s account management team assists the solicitor’s representative with these services. The prospective client suitability is established through various documents that may include, but are not limited to, the solicitor’s investment adviser representative’s communication, correspondence, various suitability documentation, the distribution of a FolioMetrix provided questionnaire, FolioMetrix’s Investment Policy Statement or Statement of Investment Selection. All forms of suitability are to determine the client’s investment objectives, time horizon, tax considerations, income needs, but most importantly for FolioMetrix’s investment philosophy, the risk tolerance.

## ***Retirement Plan Consulting Services***

FolioMetrix provides retirement plan consulting services to companies who sponsor or are interested in sponsoring a retirement plan for their employees. Services may include: assistance with selection and monitoring of the plan investment menu, the development of model portfolios (401K Modeling Services) that can be used for plan participant asset allocation among investment options in the plan, management of the model portfolios on a discretionary basis, providing educational meetings for the plan participants and providing participant level investment advice.

### **401K Modeling Service (Plan Sponsor Arrangement):**

An Advisor acting as the ERISA 3(38) fiduciary may engage FolioMetrix to provide pre-constructed, risk-managed portfolio models comprised of mutual funds and cash investments for 401(k) Plans. The Advisor acting as the ERISA 3(38) fiduciary will: 1) state its fiduciary status in writing; 2) create a customized Investment Policy Statement for each Plan Sponsor; 3) construct an investment menu using investments offered through the Client’s Plan Sponsor; 4) perform ongoing monitoring; and 5) provide in-depth quarterly reports. FolioMetrix will deliver models to the Advisor on a monthly basis via the terms of the Plan’s Sponsor; the model will be executed upon the Advisor’s discretion. Note that the model may indicate an intra-month movement to cash, at which time an updated model will be sent to the Advisor to execute at his or her discretion.

### **401K Modeling Service (IAR Solicitor Arrangement):**

FolioMetrix will engage an Investment Advisor Representative, as a Solicitor, on an exclusive basis<sup>1</sup> to identify their Advisory Clients as Prospective Clients for FolioMetrix to provide pre-constructed, risk-

managed portfolio models comprised of mutual funds and cash investments for the Advisory Client's 401(k). FolioMetrix will deliver models to the Advisory Client and their Advisor on a monthly basis via an email; the model will be executed upon the Advisory Client's discretion. Note that the model may indicate an intra-month movement to cash, at which time an updated model will be sent to the Advisory Client to execute at his or her discretion.

<sup>1</sup> Advisory Clients will be allowed to engage FolioMetrix for 401(k) Modeling services based on their Employer's Plan Sponsor

### ***Investment Company Management Services***

FolioMetrix, LLC is the advisor of the RiskX Funds, a series of the Starboard Investment Trust, an open-end management investment company established under the laws of Delaware and registered with the SEC under the Investment Company Act of 1940 (the "1940 Act").

Subject to the supervision of the Starboard Investment Trust's Board of Trustees, FolioMetrix provides a continuous investment program for the RiskX Funds on a discretionary basis, including investment research and management with respect to all securities and investments and cash equivalents in the Fund. FolioMetrix determines from time to time what securities and other investments will be purchased, retained or sold by the Fund. FolioMetrix will provide the services in accordance with the Fund's investment objectives, policies, and restrictions as stated in the Fund's prospectus. The Fund's assets are deposited at a qualified custodian as determined and selected by the Fund's Board of Trustees. FolioMetrix is also responsible for the selection of broker-dealers through which the Funds execute portfolio transactions, subject to the brokerage policies established by the Starboard Investment Trust, and it provides certain executive personnel to the funds.

The Investment Advisory Agreement has been approved for a one-year period, and may be renewed on an annual basis thereafter, provided that continuance is approved at least annually by the Board of Trustees of the Trust or by vote of the holders of a majority of the outstanding voting securities of the Funds. In either event, it must also be approved by a majority of the Trustees who are neither parties to the agreement nor interested persons as defined in the 1940 Act, at a meeting called for the purpose of voting on such approval. The Investment Advisory Agreement may be terminated at any time without the payment of any penalty by the Board of Trustees or by vote of a majority of the outstanding voting securities of the Funds on not more than 60 days' written notice to Adviser. In the event of its assignment, the Investment Advisory Agreement terminates automatically.

### ***Wrap Fee Management Program Services***

FolioMetrix offers investment management services through a wrap fee management program, which is referred to as the Wrap Fee Management Program. In a wrap fee management program, the advisory fee charged to clients includes both the investment management fee and execution costs, including transaction ticket charges. Whenever a fee is charged for the Wrap Fee Management Program services described in this Wrap Fee Program Brochure, FolioMetrix will receive all or a portion of the fee charged.

When making the determination of whether one of the advisory programs available through FolioMetrix is appropriate for the client's needs, the client should bear in mind that fee-based accounts, when compared with commission-based accounts, often result in lower costs during periods when trading activity is heavier, such as the year an account is established. However, during periods when trading activity is lower, the fee-based account arrangements may result in a higher annual cost for transactions. Thus,

depending on a number of factors, the total cost for transactions under a fee-based account versus a commission-based account can vary significantly. Factors which affect the total cost include account size, amount of turnover, type and quantities of securities purchased or sold, commission rates and the client's tax situation.

Each client should discuss the advantages and disadvantages of fee-based and commission-based accounts with the client's adviser representative and should read this Wrap Fee Disclosure Brochure carefully as it explains, in detail, our investment management services offered through the Wrap Fee Management Program.

Through the Wrap Fee Management Program, FolioMetrix offers investment management services, which involves FolioMetrix providing the client with continuous and ongoing supervision over the client's accounts. The investment management services offered by FolioMetrix through the Wrap Fee Program are typically provided after an unaffiliated solicitor introduces a client to the Wrap Fee Management Program. In order to participate in the Wrap Fee Management Program, a client will appoint FolioMetrix as investment adviser of record to provide investment management services to the client.

**For the Wrap Fee Management Program, FolioMetrix provides discretionary investment management services primarily utilizing the RiskX Funds, which are managed solely by FolioMetrix.** FolioMetrix will provide each client with current prospectuses of the RiskX Funds, a written description of fees, and notice of changes in fees for the RiskX Funds.

The client's assets that are designated to receive investment management services via the Wrap Fee Management Program will hereafter be referred to as "Designated Assets". The Designated Assets will consist only of separate account(s) held by qualified custodian(s) under the name of each client. FolioMetrix will establish a custodial account for the benefit of each client and will use TD Ameritrade ("TD Ameritrade" or "Custodian") as the qualified custodian for each client's Designated Assets. FolioMetrix does not act as a qualified custodian and does not have direct access to any client's funds and securities except to have advisory fees deducted from the Designated Assets with the client's prior written authorization. TD Ameritrade will maintain physical custody of the Designated Assets and the client will retain all rights of ownership (e.g., right to withdraw securities or cash, exercise or delegate proxy voting and receive transaction confirmations) of Designated Assets.

FolioMetrix will provide continuous investment management to and for the Designated Assets based on the investment strategy that is most appropriately suited to each client's investment needs. FolioMetrix will be responsible for placing orders to execute securities transactions for such Designated Assets on a discretionary basis. FolioMetrix will not be required to seek prior approval from the solicitor or the client when executing transactions. The solicitor and its investment adviser representatives will not have any authority to place orders to execute securities transactions for Designated Assets. FolioMetrix's investment management responsibilities will pertain solely to Designated Assets, and under no circumstances will FolioMetrix's responsibilities extend to assets held by a client that are not designated for management by FolioMetrix. Moreover, FolioMetrix will not be responsible for investment management or advice for Client's Designated Assets prior to FolioMetrix's acceptance in writing of Client's Designated Assets for investment management.

Clients who participate in the Wrap Fee Management Program will authorize FolioMetrix and/or Custodian to invest approximately 2% of the client's Designated Assets in a non-FDIC-insured money market account, including that of the Custodian, to cover management fees or miscellaneous administrative fees,



if any, and if applicable, an additional percentage of the client's Designated Assets determined by the client and the solicitor and communicated to FolioMetrix, for periodic distributions to the client. FolioMetrix will have discretion to invest up to 100% of Designated Assets in temporary defensive instruments in an effort to enhance liquidity or preserve capital. Temporary defensive instruments generally include cash and cash equivalents such as money market instruments. A portfolio could also hold defensive instruments pending the investment of proceeds from the sale of fund shares due to a trade rotation, to meet distribution requests, or when account documents have not been received in good order. Designated Assets may be invested in temporary defensive instruments for undetermined periods of time, depending on market or economic conditions. To the extent Designated Assets are invested defensively, the portfolio may not achieve its investment objective.

FolioMetrix's investment strategy does not seek tax efficiencies and, as a result, clients participating in the Wrap Fee Management Program may incur tax liabilities. Clients are responsible for all tax liabilities incurred for the client's Designated Assets.

Solicitor and its investment adviser representatives will be responsible for all communications with clients regarding Designated Assets. Solicitor or its investment adviser representatives will promptly contact a client regarding any notifications from FolioMetrix or a third-party custodian, product sponsor or security issuer as it relates to a client's Designated Assets. Investment adviser representatives of the solicitor will be reasonably available to consult with each client that participates in the Wrap Fee Management Program. At a minimum, an investment adviser representative of the solicitor will meet with each client on an annual basis, and during such meeting, will inquire as to whether the client's financial situation or investment objectives have changed, or if the client wants to impose and/or modify any reasonable restrictions upon the management of the client's Designated Assets.

At the request of a client or the solicitor, FolioMetrix is reasonably available to participate in a joint consultation with the client and the solicitor regarding administration of the Designated Assets and the individual client's financial situation and investments. Clients are responsible for providing prompt written notification to the solicitor of any instructions, restrictions or changes or modifications to the financial situation, investment objectives and preferences of the client.

On an ongoing basis, the solicitor will review and monitor FolioMetrix's investment management services for each client's Designated Assets to ensure that FolioMetrix's investment management services continue to be suitable and appropriate for a client's financial circumstances, objectives, preferences and restrictions. If the solicitor is concerned that such investment strategy or tactics are no longer authorized, suitable or appropriate for a client's Designated Assets, the solicitor will notify the client of such concern and recommend a change.

### **Specialization**

#### ***RiskX Portfolios***

FolioMetrix is client centric, meaning that we believe clients do not want to lose money and we strive to help the investment advisors meet that objective. FolioMetrix understands that most institutions are benchmark centric which is disconnected with the client objective. FolioMetrix delivers a series of de-risked portfolios when market conditions deteriorate while capturing relative upside in normal or bullish conditions.

FMx Progressive Portfolio Theory™ optimization views normal market conditions independently from times of market stress. It assumes that extreme market events can impact the effectiveness of traditional mean-variance optimization (MVO). Progressive Portfolio Theory™ MVO emphasizes managing the estimated downside risk in a portfolio and allocates among asset classes to maximize returns while minimizing the probability of breaching a set loss threshold. Optimization is completed at two levels while building the portfolio. Mean variance optimization is implemented at the strategy level. Then, those optimized strategies are combined into portfolios that are optimized using a full scale Monte-Carlo process.

Target risk levels are based upon a threshold for losses. Each Portfolio is optimized to avoid breaching this threshold with the highest statistical probability achievable given the underlying Strategy Models.

The FMx Progressive Portfolio Theory™ optimization process manages a suite of 18 Portfolios to meet client objectives, risk levels, and investment policy statement constraints. Three client objectives (Accumulation, Income, and Tax-Management) are further divided into six target risk levels that are measured by a threshold for loss within a time horizon.

#### *Accumulation*

The Accumulation Portfolios have the objective of total return over a long time horizon with differing degrees of portfolio risk. Because we are building portfolios for a range of investors, we use a ten year time horizon which we consider to be an appropriate period for total return. As with any total return objective, we accept negative deviations with the understanding that managed volatility over the long-term has historically helped to increase total returns. However, we recognize that certain amounts of losses can be damaging to a total return strategy. For this reason, we measure risk as the calculated probability of breaching a certain loss threshold based on our expected return, variance, and correlations of assets in the portfolio.

#### *Income*

The Income Portfolios have the objective of generating sustainable income over a long time horizon with differing degrees of portfolio risk. The level of income and potential for appreciation are directly associated with the amount of measured risk in the Portfolio. The most aggressive portfolios will incorporate some degree of volatility and potential losses in exchange for higher current income and greater total return potential. To a certain threshold, we accept negative deviations with the understanding that managed volatility over the long-term has historically helped to increase total returns. However, we recognize that certain amounts of losses can be damaging to any strategy, particularly an income producing portfolio. For this reason, we measure risk as the calculated probability of breaching a certain loss threshold based on our expected return, variance, and correlation of assets in the portfolio. Further, the optimization process includes distributions of 5% of the total portfolio value annually.

#### *Tax Managed*

The Tax Managed Portfolios have the objective of generating tax free income and tax managed appreciation over a long time horizon with differing degrees of portfolio risk. The potential for appreciation is directly associated with the amount of measured risk in the Portfolio. The most aggressive portfolios will incorporate some degree of volatility and potential losses in exchange for greater total return potential. The more conservative portfolios replace appreciation potential with higher levels of tax free income. At least 75% of the Portfolio will be comprised of Strategy Models that are considered to be tax-efficient. This places limits on the inclusion of Strategy Models with high turnover, high yield, and favors passive and tax-free Strategy Models. To a certain threshold, we accept negative deviations with the understanding that managed volatility over the long-term has historically helped to increase total returns.

However, we recognize that certain amounts of losses can be damaging to any strategy. For this reason, we measure risk as the calculated probability of breaching a certain loss threshold based on our expected return, variance, and correlation of assets in the portfolio.

For each of the Portfolio objective, we create six levels of risk: Aggressive, Moderately Aggressive, Moderate, Moderately Conservative, Conservative, and Protective. Each Portfolio consists of weightings to our Strategy Models to create the optimal, risk-managed portfolio.

### ***Strategy Models***

#### ***Dividend Income***

The Dividend Income Strategy Model uses Forward Management as a sub-advisor. Forward Management's investment philosophy for its International Dividend and U.S. Dividend strategies is that by emphasizing higher-yielding stocks, the portfolio attempts to participate in stock market advances and protect capital better than competing strategies during stock market declines. Both strategies are structured with a defensive bias and target 20% lower volatility than their respective benchmarks, as measured by standard deviation and beta. The MSCI EAFE Index is the benchmark for the International Dividend strategy, and the S&P 500 Index is the benchmark for the U.S. Dividend strategy.

#### ***Dynamic Growth***

The Dynamic Growth Strategy Model seeks capital appreciation without regard to current income. The strategy primarily uses no-load institutional and exchange-traded funds that have a similar investment objective or are otherwise permitted under the applicable investment policies. The portfolio is divided into 4 distinct segments: Opportunistic, Global All Cap, Core and Cash. Each is designed to take advantage of those sectors and areas of the market that offer the best opportunities for good returns based on the current market environment.

#### ***Dynamic Total Return***

The Dynamic *Total Return* Strategy Model seeks capital appreciation without regard to current income. The strategy primarily uses no-load institutional and exchange-traded funds with a similar investment objective. The portfolio is divided into 3 segments. Each is designed to find the best opportunities for good returns based on the current market environment: 1. Opportunistic segment is an aggressive allocation that includes funds in either high-yield, emerging-markets or bank-loan Morningstar categories. These categories are the most volatile but also offer the greatest potential for absolute return. Because of its risk, the Opportunistic segment has the smallest overall allocation of the three segments. 2. Global All Cap segment is a moderately aggressive allocation of either multi-sector or non-traditional bond Morningstar fixed income categories. 3. Core segment consists of higher quality fixed income funds that fall into the short, ultra-short, intermediate or long-term corporate and government debt. It also includes inflation-protected bonds and world bonds. These funds are selected by adding a component to the scoring process that favors less volatile investments. The Core segment also includes a much more static allocation towards premier fixed income mutual funds in which the managers of the fund have demonstrated their ability to provide positive alpha over a full market cycle. This part of the Core segment usually will consist of no more than 1 or 2 funds.

#### ***High Income***

The High Income Strategy Model is designed to provide income at a rate of at least 5 percentage points, (net of underlying fund fees) above the short-term interest rate as measured by the yield of the 3-month U.S. Treasury bill. The risk and return of the strategy will be compared to the Barclays Global High Yield Total Return index, with a goal of exceeding the total return of that benchmark index. The primary

objective of the strategy is high current income, and the secondary objective is long-term appreciation of principal. The strategy will incorporate the concept of risk-adjusted yield across all global income producing sectors. The Strategy Model follows a sector rotation strategy but will generally be concentrated in the sector that appears most favorable to meeting the strategy objectives. Thus, while generating high current income, the fund will also be exposed to volatility similar to the index. The sector rotation strategy seeks to generate the maximum amount of income for any given level of estimated risk in the portfolio. The application of FolioGuard™ seeks to minimize the effects of market declines.

#### *Non Traditional*

The Non Traditional Strategy Model seeks to provide a low correlation with the global equity markets as measured by the S&P Global Broad Market Index. Combined in a portfolio with traditional strategies, the Non Traditional strategy is intended to reduce measured overall portfolio risk and/or increase expected returns in an equity-based portfolio. This strategy is expected to provide reasonable positive returns relative to the index during normal market conditions and outperform the index during times of extreme volatility. The strategy is built around managers who have consistently provided positive returns while maintaining a low correlation to broad equity markets. Of particular focus is performance in exceedingly volatile times. Manager evaluation is based upon historical alpha, correlation, drawdown and consistency. The Non Traditional strategy emphasizes limiting manager risk. Since many non-traditional strategies are based upon a proprietary model, we rely on the organizational structure of the management team, verified historical statistics, and the risk management policies in place for a manager's portfolio.

#### *Premier Managers*

The Premier Managers Strategy Model identifies outstanding global investment managers with a proven performance record of at least 5 years. Each firm selected must have a proven risk management strategy. The strategy is composed of open-end mutual funds and is designed to hold these market leaders on a long-term basis and produce positive alpha. Volatility has historically been lower than that of the broad market. The benchmark used to measure performance is the S&P 500 Global Broad Market Index.

#### *Tactical Rotation*

The Tactical Rotation Strategy Model incorporates a quantitative process provided by F-Squared Investments, Inc. It is designed to provide positive alpha through analysis of domestic industry sectors and both international and emerging-market indexes. Proprietary quantitative analysis determines sector and international weightings. The strategy can move to cash if sector indicators turn negative. Because it is a tactical strategy, turnover and costs will be higher. The strategy will be evaluated versus the long-term risk and returns of the S&P Global Broad Market Index.

#### *Tax Advantaged*

The Tax Advantaged Strategy Model is designed to provide tax-free income with less volatility than the S&P National Municipal Index. The strategy is designed to create a diversified municipal bond portfolio that incorporates the full spectrum of credit quality, maturity, type of obligation, volatility, average duration, and yield for the municipal bond fixed-income sector. Of particular concern is drawdown during credit market turmoil. While there will be temporary fluctuations in the portfolio value, the strategy is designed to limit risk by allocating among those underlying investments that have the most favorable ratio of yield to volatility.

#### *Traditional Equity*

The Traditional Equity Strategy Model is designed to have volatility equal to or less than the S&P Global BMI Total Return Index while achieving similar returns. It is a low-cost, low-turnover, tax-efficient exchange-traded fund (ETF) strategy. The strategy's allocation is determined annually using our

Progressive Portfolio Theory™ Optimization Process. The FolioGuard™ Cash Allocation Strategy seeks to tactically allocate between equities and cash to produce an overlay that can be combined with other equity strategies. That combination is designed to decrease volatility and increase return, particularly in down periods.

#### *Traditional Fixed Income*

The Traditional Fixed Income Strategy Model seeks capital appreciation with a moderate yield and an emphasis on being low-cost and relatively tax efficient. Because it is strategic, rather than tactical, it has very little turnover. It currently has 10 exchange-traded fund (ETF) holdings that represent a global fixed income portfolio, which are all held at any given point in time with minimum and maximum limits in each sector. The strategy also includes a short-term U.S. Treasury ETF to serve as a cash proxy. All of the ETFs in this strategy are classified as fixed income ETFs, as this is a 100% fixed income strategy. The strategy seeks to replicate the long-term total returns of the Barclays Global Aggregate Index while reducing volatility, as measured by standard deviation of the strategy relative to the index. The objective is to reduce drawdown to the extent possible without a tactical overlay.

#### **Limits Advice to Certain Types of Investments**

FolioMetrix provides investment advice on the following types of investments.

- No-Load (i.e. no trading fee) and Load-Waived (i.e. trading fee waived) Mutual Fund Shares
- Exchange-listed securities (i.e. stocks)
- Securities traded over-the-counter (i.e. stocks)
- Fixed income securities (i.e. bonds)
- Foreign issuers securities

Although FolioMetrix generally provides advice on the products previously listed, we reserve the right to offer advice on any investment product that may be suitable for each client's specific circumstances, needs, goals and objectives.

#### **Client Assets Managed by FolioMetrix**

The amount of client assets managed by FolioMetrix totaled \$76,282,458 as of April 30, 2013. \$76,282,458 are managed on a discretionary basis and \$0 are managed on a non-discretionary basis.

### **Item 5 – Fees and Compensation**

In addition to the information provide in *Item 4 – Advisory Business*, this section provides additional details regarding the Firm's services along with descriptions of each service's fees and compensation arrangements.

#### ***Fees for Investment Management Outsourcing (IMO) – Custom Services***

##### **Nondiscretionary Business**

FolioMetrix will charge an annual fee based on the client's assets under management. FolioMetrix's standard fee schedule, (which may, in certain circumstances be negotiable), is as follows for nondiscretionary business:

Range Start	Range End	Percentage
0	10,000,000	0.40%
10,000,001	25,000,000	0.35%
25,000,001	50,000,000	0.25%
50,000,001	100,000,000	0.22%
100,000,001	150,000,000	0.20%
150,000,001	200,000,000	0.19%
200,000,001	300,000,000	0.17%
300,000,001	400,000,000	0.15%
400,000,001	500,000,000	0.13%

Accounts in excess of \$500,000,001 can be price on a case by case basis. Accounts over \$500,000,001 will be priced at 0.12% unless negotiated between parties. FolioMetrix reserves the right to alter its fee at its discretion. A change of fee can be established by written notification to the client.

#### **Discretionary Business (Solicited Client)**

The solicited client is charged FolioMetrix's fee. A portion of FolioMetrix's fee, or an additional fee,\* is deducted from the solicited client account and paid to the Solicitor. The solicited client is also charged a custodian fee and may incur transaction costs such as, but not limited to, wire fees, commissions and termination fees. In addition, the client pays fees and expenses related to the mutual funds and the exchange traded funds. A description of the fees and expenses can be found in each fund's prospectus.

FolioMetrix will charge an annual fee based on the client's assets under management. FolioMetrix's standard fee schedule, (which may, in certain circumstances be negotiable), is as follows for discretionary business:

Range Start	Range End	Percentage
0	1,000,000	1.50%
1,000,001	3,000,000	1.00%
3,000,001	5,000,000	0.75%

\*The solicitor will receive an additional fee which is disclosed to the client in the solicitor's disclosure statement. The solicitor's disclosure statement is part of FolioMetrix's investment advisory agreement.

Accounts in excess of \$5,000,001 can be price on a case by case basis. Accounts over \$5,000,001 will be priced at 0.75% unless negotiated between parties. FolioMetrix reserves the right to alter its fee at its discretion. A change of fee can be established by written notification to the client.

#### ***Fees for Investment Management Outsourcing (IMO) – Subscriptions Services***

Clients will pay FolioMetrix an annual service fee of \$40,000.00 USD for IMO subscription services. The fees will be collected in advanced. FolioMetrix reserves the right to alter its fee at its discretion. FolioMetrix may offer discounts and/or promotional pricing on any of the services noted above to select clients, plans and/or participants.

#### ***Fees for Retirement Plan Consulting Services***

FolioMetrix provides retirement plan consulting services to companies who sponsor or are interested in

sponsoring a retirement plan for their employees. Services will typically include some or all of the following:

- Assistance with selection and monitoring of the plan investment menu
- Develop model portfolios that can be used for plan participant asset allocation among investment options in the plan
- Manage model portfolios on a discretionary basis
- Education meetings for the plan participants
- Participant level investment advice

Although FolioMetrix recommends the investment options to be offered in the plan, the plan sponsor or trustee will be responsible for making the final determination of the initial investment options that will be offered in the plan. FolioMetrix will develop model portfolios using the investment options selected by the plan sponsor. When contracted for, FolioMetrix will manage the model portfolios on a discretionary basis and will have the discretion to make changes within the models on a quarterly basis or at any time that the model indicates an intra-month movement to cash. FolioMetrix will not at any time maintain custody of plan assets.

The fee for the above described Retirement Plan Consulting Services is assessed as a flat annual asset based fee based upon the total market value of the plan assets. Fees will be determined based on the total market value of the plan assets, the complexity of the plan, the number of participants, other relationship FolioMetrix may have with the plan provider or trustees, the level of service to be provided to the plan, the geographical location(s) and number of office locations of the plan sponsor and plan participants. When determining the fee, FolioMetrix will also take into consideration special situations or conflicts of interest where charging a fee is prohibited under ERISA laws and relationships with the client. The fee is assessed in arrears at the end of each calendar quarter and will be calculated based on the market value of the plan assets at the end of the calendar quarter. Fees for partial periods will be prorated based on the number of days that services were provided during the billing period. The plan trustee will elect to be invoiced for this fee or authorize that the fee be debited from the plan assets.

When providing participant level investment advice, each participant will be required to execute an agreement for services with FolioMetrix and advice will be limited to recommendations on investing within the retirement plan.

The fee for the above described Retirement Plan Consulting Services is assessed as a flat quarterly service fee. When determining the fee, FolioMetrix will also take into consideration special situations or conflicts of interest where charging a fee is prohibited under ERISA laws and relationships with the client. The fee is assessed in advance at the end of each calendar quarter. Fees for partial periods will be prorated based on the number of days that services were provided during the billing period. The fee will be debited from a bank account designated by the client.

Either party may terminate services by providing written termination to the other party. If services are terminated within five business days of executing an agreement for services with FolioMetrix, services will be terminated without penalty. After the initial five business days, clients will be responsible for payment of fees for services completed prior to termination of services. If services are terminated mid-period, a prorated fee is charged based on the number of days that services were provided during that period.

## **Fees for Sub-Advisor Arrangements**

FolioMetrix may establish sub-advisor arrangements with other registered investment advisor firms. Through these arrangements, FolioMetrix will develop model portfolios that will be used by the outside investment advisors to manage its clients' assets or to recommend model portfolios to be used on retirement plan platforms. When acting in this capacity, FolioMetrix may be paid a portion of the fee that the outside advisor charges to its clients for the services it *provides*.

### **Fee Schedule - 401K Modeling Service (Plan Sponsor Arrangement):**

- Collection of Fees will be dependent on the Plan's Sponsor payment to the Advisor acting as the ERISA 3(38) fiduciary (Most likely Quarterly in arrears)
- The Advisor acting as the ERISA 3(38) fiduciary will compensate FolioMetrix based on the fee schedule below

#### **Schedule of Fees**

*Minimum Initial Fee:* \$12,000 - \$24,000

<i>Plan Value</i>			
From	To	Fee	
\$ -	\$ 20,000,000	\$	12,000 - \$24,000
\$ 20,000,001	\$ 25,000,000	\$	48,000
\$ 25,000,001	\$ 30,000,000	\$	60,000
\$ 30,000,001	\$ 40,000,000	\$	72,000
\$ 40,000,001	\$ 50,000,000	\$	84,000
\$ 50,000,001	\$ 60,000,000	\$	96,000
\$ 60,000,001	\$ 70,000,000	\$	108,000
\$ 70,000,001	\$ 80,000,000	\$	120,000
\$ 80,000,001	\$ 90,000,000	\$	132,000
\$ 90,000,001	\$ 100,000,000	\$	144,000

*\*Note: For every \$10,000,000 increase in Plan Value after \$100,000,000, there is a \$12,000 increase in Fees.*

### **Fee Schedule - 401K Modeling Service (IAR Solicitor Arrangement):**

#### **Client Fee Details:**

- Client will pay FolioMetrix a service fee of \$150 per quarter
- Fees will be collected on a quarterly basis in advance
- Fees will be collected via ACH

#### **Solicitor Fee Details:**

- FolioMetrix will typically pay Solicitors (IARs) 25% to 50% of service fee
- Payment will be made on a quarterly basis in arrears



### ***Fees for Investment Company Management Services***

As full compensation for the investment advisory services provided to the Rx Dynamic Growth Fund, the Advisor receives a monthly fee based on the Fund's average daily net assets. The minimum annual rate is 0.00% if the average daily net assets are under \$11 million and gradually increases to a maximum annual rate of 0.45% if the average daily net assets are \$16 million or more. Prior to September 18, 2012, the minimum annual rate was 0.00% if the average daily net assets were under \$11 million and gradually increased to a maximum annual rate of 0.95% if the average daily net assets were \$39 million or more. The fee paid to the Advisor is calculated by multiplying the average daily net assets of the Fund by the highest applicable annual rate.

As full compensation for the investment advisory services provided to the Rx Dynamic Total Return Fund, the Advisor receives a monthly fee based on the Fund's average daily net assets. The minimum annual rate is 0.00% if the average daily net assets are under \$13 million and gradually increases to a maximum annual rate of 0.45% if the average daily net assets are \$23 million or more. Prior to September 18, 2012, the minimum annual rate was 0.00% if the average daily net assets were under \$13 million and gradually increased to a maximum annual rate of 0.70% if the average daily net assets were \$41 million or more. The fee paid to the Advisor is calculated by multiplying the average daily net assets of the Fund by the highest applicable annual rate.

As full compensation for the investment advisory services provided to the following Funds, the Advisor receives monthly compensation based on the Fund's average daily net assets at the annual rate of 0.45%: Rx Non Traditional Fund, Rx High Income Fund, Rx Traditional Equity Fund, Rx Traditional Fixed Income Fund, Rx Tactical Rotation Fund, Rx Tax Advantaged Fund, Rx Dividend Income Fund, and Rx Premier Managers Fund.

The Advisor cannot recoup from the Funds any amounts paid by the Advisor to the Administrator under the Operating Plan. The Administrator pays all expenses not assumed by the Advisor, including, without limitation: the fees and expenses of its independent accountants and of its legal counsel; the costs of printing and mailing to shareholders annual and semi-annual reports, proxy statements, prospectuses, statements of additional information and supplements thereto; the costs of printing registration statements; bank transaction charges and custodian's fees; any proxy solicitors' fees and expenses; filing fees; any federal, state or local income or other taxes; any interest; any membership fees of the Investment Company Institute and similar organizations; fidelity bond and Trustees' liability insurance premiums.

The Administrator's responsibilities include the following services for the Funds: (i) procures on behalf of the Trust, and coordinates with, the custodian and monitors the services it provides to the Funds; (ii) coordinates with and monitors any other third parties furnishing services to the Funds; (iii) provides the Funds with necessary office space, telephones, and other communications facilities and personnel competent to perform administrative and clerical functions for the Funds; (iv) assists or supervises the maintenance by third parties of such books and records of the Funds as may be required by applicable federal or state law; (v) assists or supervises the preparation by third parties of all federal, state, and local tax returns and reports of the Funds required by applicable law; (vi) assists in the preparation and, after approval by the Trust, files and arranges for the distribution of proxy materials and periodic reports to shareholders of the Funds as required by applicable law; (vii) assists in the preparation of and, after approval by the Trust, arranges for the filing of such registration statements and other documents with the SEC and other federal and state regulatory authorities as may be required by applicable law; (viii)

reviews and submits to the officers of the Trust for their approval invoices or other requests for payment of Fund expenses and instructs the custodian to issue checks in payment thereof; and (ix) takes such other action with respect to the Funds as may be necessary in the opinion of the Administrator to perform its duties under the agreement. The Administrator also provides certain accounting and pricing services for the Funds.

With the exception of the Advisor, all of the Fund's service providers are paid by the Administrator.

**Portfolio Turnover.** The Fund pays transaction costs, such as commissions, when it buys and sells securities (or "turns over" its portfolio). A higher portfolio turnover rate may indicate higher transaction costs and may result in higher taxes when Fund shares are held in a taxable account. These costs, which are not reflected in annual fund operating expenses, affect the Fund's performance.

FolioMetrix, LLC provides investment management research and design through portfolio models, but does not impose a fee for the models. The Firm also provides a daily email update on the models and markets, which is available only to other advisors in the form of subscription, free of charge. FolioMetrix, LLC runs monthly investment committee advisory meetings, available only to other advisors, at no charge.

#### **Fees for Wrap Fee Management Program**

The advisory fee charged to clients who participate in the Wrap Fee Management Program is for the services of both FolioMetrix and the solicitor who introduces the client to the Wrap Fee Management Program. For participation in the Wrap Fee Management Program, there is a minimum account size of \$25,000. Lower account sizes may be accepted if the client has other household accounts that receive advisory services from FolioMetrix. *See Item 5 for more details.* Clients are charged an annual investment advisory fee which is split between FolioMetrix and the solicitor who has introduced the client to the Wrap Fee Management Program.

The advisory fee is based upon a percentage of the value of a client's Designated Assets. The investment advisory fee is billed in arrears (at the end of the billing period) on a quarterly calendar basis and calculated based on the average daily balance of the Designated Assets during the billing period. Fees are prorated based on the number of days service is provided during each billing period. If the Wrap Fee Management Program services are commenced in the middle of the billing period, then the prorated fee for that billing period will be billed in arrears at the end of that billing period.

FolioMetrix is responsible for calculating the total investment advisory fee, which is comprised of both the portion to the solicitor and the portion to FolioMetrix. Also, FolioMetrix is responsible for instructing the Custodian to deduct the fee and pay both the solicitor and FolioMetrix in accordance with the Client Agreement (that is executed by the client, the solicitor and FolioMetrix) and in accordance with the Solicitor Agreement between FolioMetrix and the solicitor.

FolioMetrix will begin calculating the advisory fee when assets are deposited into the client's account. The Custodian will pay the applicable proportion of the investment advisory fee to FolioMetrix and to the solicitor. At least quarterly, the client will receive an account statement from the qualified custodian(s) of the client's Designated Assets. The account statement will detail the formula used to calculate the fee, the assets under management and the time period covered. Clients are instructed to review the account statements received from the Custodian and to verify that appropriate investment advisory fees are being deducted as the Custodian will not verify the accuracy of the investment advisory fees deducted.

Since FolioMetrix is also the investment adviser to the RiskX Funds, the RiskX Funds pay investment management fees to FolioMetrix. Such investment management fees are for managing the investments within the RiskX Funds and are indirect expenses of the clients' Designated Assets. The prospectus of each RiskX Fund in which Designated Assets may be invested describes the fees and expenses paid by such RiskX Fund to FolioMetrix.

The Gross Annual Investment Advisory Fee is the fee that a client has agreed to pay for investment management services. The amount of the Gross Annual Investment Advisory Fee is provided in the chart below and also in the Client Agreement. The stated amount of the Gross Annual Investment Advisory Fee includes both (1) the full amount of the annual investment management fees retained by FolioMetrix and charged to a client as an expense of the RiskX Funds; and (2) the full amount of the annual investment advisory fee charged to a client pursuant to Client Agreement executed by the FolioMetrix, the solicitor, and the client. **The Gross Annual Investment Advisory Fee will be offset by 0.50%, which is the maximum fee that is charged to a client as an expense of the RiskX Fund(s) and paid by the RiskX Fund to FolioMetrix for FolioMetrix's investment management services provided to the RiskX Funds.**

The annual investment management fees charged to a client as an expense of the RiskX Funds can be split between FolioMetrix, and one or more sub-advisors or signal providers to the RiskX Funds. Clients should refer to the particular RiskX Fund prospectus for details about investment management fees and other expenses of each RiskX Fund.

**The Net Annual Investment Advisory Fee is calculated by subtracting the amount of the annual investment management fees that is retained by FolioMetrix and charged to a client as an expense of the RiskX Funds from the Gross Annual Investment Advisory Fee. The Net Annual Investment Advisory Fee is the fee that will be paid directly by a client for the services provided by FolioMetrix and the solicitor pursuant to Client Agreement.** The Net Annual Investment Advisory Fee is negotiable based on the complexity of the client's situation, the potential for additional account deposits from the client, and the total amount of assets under management for the client. The table below provides information about the annual fees incurred by a client.

	<b>Gross Annual Investment Advisory Fees</b>	<b>Offset for Investment Management Fees Retained by FolioMetrix from RiskX Funds</b>	<b>Net Annual Investment Advisory Fees</b>
<b>Account Value</b>	<b>Maximum</b>	<b>Maximum</b>	<b>Maximum</b>
<b>First \$250,000</b>	2.25%	0.50%	1.75%
<b>Next \$500,000</b>	2.00%	0.50%	1.50%
<b>Next \$250,000</b>	1.75%	0.50%	1.25%
<b>More than \$1 million</b>	Negotiable	Negotiable	Negotiable

The solicitor will receive between 50% and 75% of the Net Annual Investment Advisory Fee. The percentage of the Net Annual Investment Advisory Fee to be paid to each FolioMetrix and the solicitor will be stated in the Client Agreement and in the separate Solicitor Disclosure Statement provided to the client.

The Net Annual Investment Advisory Fee will not be based on the capital gains or the capital appreciation of a client's account(s).

FolioMetrix and Solicitor believe the investment advisory fee is reasonable in relation to: (1) the advisory services provided under this Agreement; and (2) the fees charged by other investment advisers offering similar services/programs. It should also be noted that lower fees for comparable services may be available from other sources.

As described above, since this is a wrap fee program, the client is not separately charged for transaction ticket charges associated with trade execution. All transaction ticket fees charged by the Custodian will be included in the Net Annual Investment Advisory Fee charged by FolioMetrix and the solicitor. Transaction ticket charges are billed directly to FolioMetrix by the Custodian and FolioMetrix will not receive any portion of such transaction ticket charges.

Clients may incur certain charges imposed by third parties other than FolioMetrix and the solicitor in conjunction with investments in the client's account(s), including but not limited to mutual fund sales loads, 12b-1 distribution fees and surrender charges on previously purchased mutual funds. Client should review all applicable prospectuses or disclosures for further details on commission charges, sales loads, 12b-1 distribution fees, internal expenses and surrender charges.

The services provided through the Wrap Fee Management Program continue in effect until terminated. A client may terminate the services upon providing FolioMetrix and the solicitor with written notice of termination. FolioMetrix or the solicitor may terminate the services upon providing the other parties with written notice of termination effective at least 30 days after the other parties receive such notice. Upon termination, all securities will be liquidated unless otherwise requested in writing and signed by the client. Upon termination of any account(s) holding Designated Assets, the client will be responsible for any exchange, redemption, or other fees assessed by mutual fund companies, the Custodian, and for any change in account value due to market fluctuation. Net Annual Investment Advisory Fees will be collected until FolioMetrix receives written notice from the client to terminate the investment management services to the Designated Assets and has a reasonable amount of time to act on the instructions. Should the value of the Designated Assets drop to a level that FolioMetrix is not able to manage efficiently, FolioMetrix may notify the client in writing to deposit funds within 30 days. If there is no deposit to the Designated Assets within the specified timeframe, FolioMetrix may liquidate and close the client's account(s) holding the Designated Assets and the account proceeds will be mailed to the client's address of record and the client will be responsible for any tax liabilities incurred.

### **General Fee Disclosures**

FolioMetrix does not represent, warranty, or imply that the services or methods of analysis employed by the firm can or will predict future results, successfully identify market tops or bottoms, or insulate clients from losses due to market corrections or declines.

FolioMetrix will not maintain physical custody of client assets. Assets will be maintained by a qualified custodian.

For all advisory services other than the Wrap Fee Management Program, brokerage commissions and/or transaction ticket fees charged by the custodian and/or clearing broker/dealer are billed directly to the client. FolioMetrix does not receive any portion of such commissions or fees from the custodian or client. As described above, for the Wrap Fee Management Program, brokerage commissions and/or transactions ticket fees charged by the custodian and/or clearing broker/dealer are billed directly to FolioMetrix and are included as part of the Net Annual Investment Advisory Fee that is charged to clients

that participate in the Wrap Fee Management Program. Please refer to the sub-section describing the Wrap Fee Management Program for specific details about that program.

Clients may incur certain charges imposed by third parties other than FolioMetrix in connection with investments made through the client's advisory account, including but not limited to, mutual fund sales loads, 12(b)-1 fees and surrender charges, variable annuity fees and surrender charges, and IRA and qualified retirement plan fees. Advisory fees charged by the FolioMetrix are separate and distinct from the fees and expenses charged by investment company securities that may be recommended to clients. A description of these fees and expenses are available in each investment company security's prospectus.

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

FolioMetrix, LLC **does not charge or accept performance-based fees** which can be defined as fees based on a share of capital gains on or capital appreciation of the assets held within a client's account.

#### **Item 7 – Types of Clients**

FolioMetrix, LLC generally provides investment advice to Investment Companies, Investment Advisory Firms, Registered Investment Companies, Broker-Dealers, Corporate Retirement Plans and Retirement Plan Participants. For the Wrap Fee Management Program, FolioMetrix generally provides investment adviser to individuals, including high net worth individuals, plan participants holding assets in a qualified retirement plan account; and to corporations and other business entities.

#### **Minimum Investment Amounts Required**

For participation in the Wrap Fee Management Program, FolioMetrix generally requires a minimum investment of \$25,000. Lower account sizes may be accepted if the client has other household accounts that receive advisory services from FolioMetrix. For the other advisory service programs, FolioMetrix, LLC does not have any minimum account size. However, certain investment company clients may have minimum investment amounts that are set forth in the prospectus of such investment companies.

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

#### **The following section will summarize FolioMetrix's methods of analysis in formulating investment advice.**

Each FolioMetrix portfolio is optimized under the FMx Progressive Portfolio Theory™, an evolution of the Markowitz Modern Portfolio Theory mean-variance optimization (MVO) model. The FMx Progressive Portfolio Theory™ optimization views normal market conditions independently from times of market stress. It assumes that extreme market events can impact the effectiveness of traditional mean-variance optimization. Progressive Portfolio Theory™ MVO emphasizes managing the estimated downside risk in a portfolio and allocates among asset classes to maximize returns while minimizing the probability of breaching a set loss threshold. Optimization is completed at two levels while building the portfolio. Mean variance optimization is implemented at the strategy level. Those optimized strategies are then combined into portfolios that are optimized with a Monte Carlo based full-scale utility maximization function.

### *Strategy-Level Optimization*

Prior to creating the allocation within the Strategy Models, each individual strategy is created in conjunction with an optimization process, where applicable. In this stage, traditional mean-variance optimization is used to create an appropriate portfolio to maximize expected return per unit of risk. Since there is a potential for a shortfall in the time period of historical information available, the return of an index (which usually has a longer return history) for a holding may be substituted. This gives more validity to the dataset through a longer sample period. To create the mean-variance optimal allocation, statistical data is separated for volatile and normal time periods and creates the statistically optimal blend of investments. Ten alternative portfolios generally form an efficient frontier of risk levels.

### *Portfolio Optimization*

At the portfolio level, the optimization changes from MVO to full-scale optimization (FSO). This essentially changes the objective from maximizing the return per unit of risk to setting a threshold for loss that should be avoided based on past return characteristics of Strategy Models. The firm's portfolio optimization process is initially capable of using all Strategy Models by default (currently 10). A minimum or maximum bound is set on the weightings to each individual Strategy Model or to groups of Strategy Models, depending on the objectives and underlying risk levels of the portfolios. Some Strategy Models have tactical risk management overlays that change the distributions of returns. For full-scale optimization, returns for the Strategy Model are used without the risk management overlay. FSO uses a Monte-Carlo simulation process to evaluate allocations with a lower bound for the maximum loss that can be tolerated. This lower bound, called the threshold, differs between each risk level. Essentially, a maximum loss level is set for the portfolio to avoid. The full-scale optimization model implies that any losses beyond the threshold result in increasing negative utility (dissatisfaction) and that at a certain point increasing gains have diminishing marginal utility. This is measured with an S-shaped utility function. FSO creates the optimal portfolio with the highest return-to-risk ratio and the lowest probability of breaching the loss threshold. FSO minimizes the probability of both end-of-horizon and the within-horizon risk. For all of the portfolios, 10 years is used as the default time horizon and compares the end-of-horizon and the within-horizon risk to the Morningstar Target Risk indices.

For each of the investment objectives (Accumulation, Income and Tax-Managed), six levels of risk are created: Aggressive, Moderately Aggressive, Moderate, Moderately Conservative, Conservative and Protective. The Protective portfolios have a slightly different curve for utility and loss threshold. Each protective portfolio sets the threshold at +1% returns, but there is only a slight slope to the marginal utility of returns above this level and a very steep slope for investor utility below this level. For each threshold, the Full-scale optimization uses a Monte Carlo analysis to simulate up to 10,000 potential outcomes given our inputs for risk, return, constraints, and the built-in co-variances. At different confidence intervals, the analysis shows the probability of breaching the threshold and adjusts the potential weightings to minimize that risk both within and at the end of the horizon. The FSO output shows the optimal allocation of Strategy Models for a given risk threshold, the probability of breaching that level both within and at the end of the horizon. The Monte Carlo output is the basis for the calculation of value at risk in volatile and normal time periods and the probability of achieving certain wealth and income levels for different confidence intervals.

**FolioMetrix, LLC uses the following investment strategies when managing client assets and/or providing investment advice.**

The equity based Strategy Models cover the spectrum of passive indexing strategies to focused, actively managed strategies. In aggregate, the equity Strategy Models diversify across geography, sector, style, size, and a number of other classifications. The underlying managers and holdings represent the global spectrum of investable equity and each individual strategy has a particular focus including: Dynamic Growth; Traditional Equity; Tactical Rotation; Premier Managers; Dividend Income.

The fixed income based Strategy Models cover the spectrum of passive indexing strategies to focused, actively managed strategies. In aggregate, the fixed income Strategy Models diversifies across geography, sector, style, size, credit, duration, and a number of other classifications. The underlying managers and holdings represent the global spectrum of investable fixed income and derivative products of fixed income and each individual strategy has a particular focus including: Dynamic Total Return; Traditional Fixed Income; High Income; and Tax Advantaged.

The Non Traditional Strategy Model is designed to have a diversifying effect for equity and fixed income portfolios. This Strategy Model contains alternative strategies that are expected to maintain a low correlation to equity and fixed income returns.

Some Strategy Models include a tactical risk management overlay that is either proprietary to FolioMetrix, LLC or to a subadvisor for an underlying strategy.

**Risk of Loss**

The FolioMetrix, LLC constructed portfolios – Model Portfolios – have been developed based on historical performance of an asset allocation neutral portfolio (consisting of no-load and exchange traded funds). Since these are Model Portfolios (hypothetical), there can be no assurance that a client would have achieved similar rates of return over the time frame. In addition, since the time period in question is a historical one, there can be no assurance that future results achieved by clients will in any way resemble those represented by the Model Portfolios.

Clients must understand that past performance is not indicative of future results. Therefore, current and prospective clients (including you) should never assume that future performance of any specific investment or investment strategy will be profitable. Investing in securities (including stocks, mutual funds, and bonds) involves risk of loss. Further, depending on the different types of investments there may be varying degrees of risk. Clients and prospective clients should be prepared to bear investment loss including loss of original principal.

Because of the inherent risk of loss associated with investing, our firm is unable to represent, guarantee, or even imply that our services and methods of analysis can or will predict future results, successfully identify market tops or bottoms, or insulate you from losses due to market corrections or declines. There are certain additional risks associated when investing in securities through our investment management program.

**Market Risk.** Market risk refers to the possibility that the value of securities held by the Fund 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 (including those in the Fund's portfolio) may decline regardless of their long-term prospects. The Fund's performance per share will change daily in response to such factors.

**Risks Related to "Fund of Funds" Structure.** The Fund is a "fund of funds." The term "fund of funds" is typically used to describe investment companies, such as the Fund, whose primary investment strategy involves investing in other investment companies, such as mutual funds and ETFs. Investments in other investment companies subject the Fund to additional operating and management fees and expenses. For example, investors in the Fund will indirectly bear fees and expenses charged by the mutual funds and ETFs in which the Fund invests, in addition to the Fund's direct fees and expenses. Furthermore, the use of a fund of funds structure could affect the timing, amount, and character of distributions and therefore may increase the amount of taxes payable by you. Under the Investment Company Act of 1940, the Fund may not acquire shares of another investment company if, immediately after acquisition, the Fund and their affiliated persons will hold more than 3% of the investment company's outstanding shares unless the Fund or the investment company have received an order for exemptive relief from the 3% limitation from the SEC and the Fund and the investment company take appropriate steps to comply with the conditions in such order. Consequently, the 3% limitation may prevent the Fund from allocating their investments in the manner the Advisor considers optimal.

**Control of Portfolio Funds Risk.** Although the Fund and the Advisor will evaluate regularly each Portfolio Fund to determine whether its investment program is consistent with the Fund's investment objective, the Advisor will not have any control over the investments made by a Portfolio Fund. The investment advisor to each Portfolio Fund may change aspects of its investment strategies at any time. The Advisor will not have the ability to control or otherwise influence the composition of the investment portfolio of a Portfolio Fund.

**Derivative Risk.** Some Portfolio Funds may use derivative instruments which derive their value from the value of an underlying asset, currency, or index. The value of derivatives may rise or fall more capital than other investments and it is possible to lose more than the initial amount invested.

**Leverage Risk.** Some Portfolio Funds may borrow money for leveraging and will incur interest expenses. The NAV per share of a Portfolio Fund will increase more when its portfolio securities increase in value and to decrease more when its portfolio assets decrease in value than would otherwise be the case if it did not borrow funds.

**Short Sales Risk.** The Portfolio Funds may engage in short sales, which could cause a Portfolio Fund's investment performance to suffer if it is required to close out a short position earlier than it had intended. This could cause the Fund's performance to suffer to the extent that it invests in such a Portfolio Fund.

**Sector Risk.** Sector risk is the possibility that securities within the same group of industries will decline in price due to sector-specific market or economic developments. If the Portfolio Funds invest more heavily in a particular sector, the value of its shares may be especially sensitive to factors and economic risks that specifically affect that sector. As a result, the Portfolio Fund's share price may fluctuate more widely than the value of shares of a mutual fund that invests in a broader range of industries. Additionally, some sectors could be subject to greater government regulation than other sectors. Therefore, changes in regulatory policies for those sectors may have a material effect on the value of securities issued by companies in those sectors.



**Portfolio Turnover Risk.** The Advisor will sell portfolio securities when it is in the interests of the Fund and its shareholders to do so without regard to the length of time they have been held. As portfolio turnover may involve paying brokerage commissions and other transaction costs, there could be additional expenses for the Fund. High rates of portfolio turnover may also result in the realization of short-term capital gains and losses. Any distributions resulting from such gains will be considered ordinary income for federal income tax purposes.

**Management Style Risk.** Different types of securities tend to shift into and out of favor with investors depending on market and economic conditions. The returns from the types of Portfolio Funds purchased by the Fund (large-cap, mid-cap, growth, value, etc.) may at times be better or worse than the returns from other types of funds. Each type of investment tends to go through cycles of performing better or worse than the stock market in general. The performance of the Fund may thus be better or worse than the performance of stock funds that focus on other types of investments, or that have a broader investment style.

**Investment Advisor Risk.** The Advisor's ability to choose suitable investments has a significant impact on the ability of the Fund to achieve its investment objectives. The Advisor was formed in 2009 and is registered as an investment adviser with the SEC.

However, the Advisor does not have previous experience managing an investment company registered under the Investment Company Act of 1940. Accordingly, investors in the Fund bear the risk that the Advisor's inexperience managing registered investment company may limit its effectiveness. The experience of the portfolio managers is discussed in "Management of the Fund – Investment Advisor."

**Operating Risk.** The Administrator and Advisor have entered into an Operating Plan that facilitates the Administrator's assumption of the Fund's regular operating expenses under the Fund Accounting and Administration Agreement. The Operating Plan obligates the Advisor to pay certain expenses of the Fund in order to help limit its annual operating expenses. If the Advisor, however, does not have sufficient revenue to support those expenses, the Advisor may be compelled to either resign or become insolvent. In addition, if the Fund incurs expenses in excess of those that the Administrator has agreed to pay and the Advisor is not able or willing to pay the excess costs, those excess costs will increase the Fund's expenses.

**New Fund Risk.** The Fund was formed in 2009. Accordingly, investors in the Fund bear the risk that the Fund may not be successful in implementing its investment strategy, may not employ a successful investment strategy, or may fail to attract sufficient assets under management to realize economies of scale, any of which could result in the Fund being liquidated at any time without shareholder approval and at a time that may not be favorable for all shareholders. Such a liquidation could have negative tax consequences for shareholders and will cause shareholders to incur expenses of liquidation.

**Interest Rate and Credit Risk.** Interest rates may rise resulting in a decrease in the value of the fixed income securities held by the Portfolio Funds or may fall resulting in an increase in the value of such securities. Fixed income securities with longer maturities generally involve greater risk than those with shorter maturities. Issuers of fixed income securities might be unable to make principal and interest payments when due.

**High-Yield Risk.** Portfolio Funds may invest in fixed income securities that are rated below investment grade, such as "junk bonds". Securities in this rating category are speculative. Changes in economic conditions or other circumstances may have a greater effect on the ability of issuers of these securities to make principal and interest payments than they do on issuers of higher grade securities. The additional

risks of these types of investments include an increased possibility of default, illiquidity of the security and changes in value based on public perception of the issuer. Additionally, these instruments are generally unsecured and may be subordinated to other creditor's claims.

**Inflation Risk.** Fixed income securities are subject to inflation risk. Because inflation reduces the purchasing power of income produced by existing fixed income securities, the prices at which fixed income securities trade will be reduced to compensate for the fact that the income they produce is worth less. This potential decrease in market value of fixed income securities would result in a loss in the value of the Fund's portfolio.

**Risks of Investing in Corporate Debt Securities.** Portfolio Funds may invest in corporate debt securities. Corporate debt securities are fixed income securities issued by businesses. Notes, bonds, debentures, and commercial paper are the most prevalent types of corporate debt securities. The credit risks of corporate debt securities vary widely among issuers. In addition, the credit risk of an issuer's debt security may vary based on its priority for repayment. For example, higher ranking (senior) debt securities have a higher priority than lower ranking (subordinated) securities. This means that the issuer might not make payments on subordinated securities while continuing to make payments on senior securities. In addition, in the event of bankruptcy, holders of senior securities may receive amounts otherwise payable to the holders of subordinated securities. Some subordinated securities, such as trust preferred and capital securities notes, also permit the issuer to defer payments under certain circumstances. For example, insurance companies issue securities known as surplus notes that permit the insurance company to defer any payment that would reduce its capital below regulatory requirements.

**Risks of Investing in Convertible Securities.** Convertible securities are fixed income securities that a Portfolio Fund has the option to exchange for equity securities at a specified conversion price. The option allows the Portfolio Fund to realize additional returns if the market price of the equity securities exceeds the conversion price. For example, the Portfolio Fund may hold fixed income securities that are convertible into shares of common stock at a conversion price of \$10 per share. If the market value of the shares of common stock reached \$12, the Portfolio Fund could realize an additional \$2 per share by converting its fixed income securities. Convertible securities have lower yields than comparable fixed income securities. In addition, at the time a convertible security is issued the conversion price exceeds the market value of the underlying equity securities. Thus, convertible securities may provide lower returns than non-convertible fixed income securities or equity securities depending upon changes in the price of the underlying equity securities. However, convertible securities permit the Portfolio Fund to realize some of the potential appreciation of the underlying equity securities with less risk of losing its initial investment.

**Risks of Investing in TIPS.** The Fund is subject to certain risks to the extent that the Portfolio Funds invest in Treasury Inflation-Protected Securities (TIPS). TIPS are special types of treasury bonds that were created in order to offer bond investors protection from inflation. The values of TIPS are automatically adjusted to the inflation rate as measured by the Consumer Price Index (CPI). With inflation (a rise in the CPI), the principal increases; with a deflation (a drop in the CPI), the principal decreases. When TIPS mature, you are paid the adjusted principal or original principal, whichever is greater. TIPS decline in value when real interest rates rise. However, in certain interest rate environments, such as when real interest rates are rising faster than nominal interest rates, TIPS may experience greater losses than other fixed income securities with similar duration.

**Futures Risk.** Use of futures contracts by the Fund or the Portfolio Funds may cause the value of the Fund's shares to be more volatile. Futures contracts expose the Fund to leverage and tracking risks

because a small investment in futures contracts may produce large losses and futures contracts may not accurately track the underlying securities.

**Risks from Purchasing Options.** If a call or put option purchased by the Fund or a Portfolio Fund is not sold when it has remaining value and if the market price of the underlying security, in the case of a call, remains less than or equal to the exercise price, or, in the case of a put, remains equal to or greater than the exercise price, the entire investment in the option will be lost. There is no assurance that a liquid market will exist when the Fund or a Portfolio Fund seeks to close out an option position. Where a position in a purchased option is used as a hedge against price movements in a related position, the price of the option may move more or less than the price of the related position.

**Risks from Writing Options.** The Fund, as well as the Portfolio Funds in which it invests, may sell, or “write,” option contracts. Writing option contracts can result in losses that exceed the initial investment and may lead to additional turnover and higher tax liability. The risk involved in writing a call option is that there could be an increase in the market value of the security. If this occurred, the option could be exercised and the underlying security would then be sold by the Fund or Portfolio Fund at a lower price than its current market value. Similarly, while writing call options can reduce the risk of owning stocks, such a strategy limits the opportunity of the Fund or Portfolio Fund to profit from an increase in the market value of stocks in exchange for up-front cash at the time of selling the call option. The risk involved in writing a put option is that there could be a decrease in the market value of the underlying security. If this occurred, the option could be exercised and the underlying security would then be sold to the Fund or Portfolio Fund at a higher price than its current market value. There is no assurance that a liquid market will exist when the Fund or Portfolio Fund seeks to close out an option position. Where a position in a written option is used as a hedge against price movements in a related position, the price of the option may move more or less than the price of the related position.

**Large-Cap Securities Risk.** Stocks of large companies as a group can fall out of favor with the market, causing the Fund to underperform investments that have a greater focus on mid-cap or small-cap stocks. Larger, more established companies may be slow to respond to challenges and may grow more slowly than smaller companies.

**Small-Cap and Mid-Cap Securities Risk.** The Portfolio Funds may invest in securities of small-cap and mid-cap companies, which involves greater volatility than investing in larger and more established companies. Small-cap and mid-cap companies can be subject to more abrupt or erratic share price changes than larger, more established companies. Securities of these types of companies have limited market liquidity, and their prices may be more volatile. You should expect that the value of the Fund’s shares will be more volatile than a fund that invests exclusively in large-capitalization companies.

**Foreign Securities and Emerging Markets Risk.** The Portfolio Funds may have significant investments in foreign securities, which have investment risks different from those associated with domestic securities. The value of foreign investments may be affected by the value of the local currency relative to the U.S. dollar, changes in exchange control regulations, application of foreign tax laws, changes in governmental economic or monetary policy, or changed circumstances in dealings between nations. There may be less government supervision of foreign markets, resulting in non-uniform accounting practices and less publicly available information about issuers of foreign securities. In addition, foreign brokerage commissions, custody fees, and other costs of investing in foreign securities are often higher than in the United States. Investments in foreign issues could be affected by other factors not present in the United States, including expropriation, armed conflict, confiscatory taxation, and potential difficulties in enforcing contractual obligations. In addition to the risks of foreign securities in general, countries in emerging markets are more volatile and can have relatively unstable governments, social and legal systems that do

not protect shareholders, economies based on only a few industries, and securities markets that trade a small number of issues which could reduce liquidity.

**Common Stocks.** The Fund's investments in common stocks may fluctuate in value response to many factors, including, but not limited to, the activities of the individual companies whose securities the Fund owns, general market and economic conditions, interest rates, and specific industry changes. Such price fluctuations subject the Fund to potential losses. During temporary or extended bear markets, the value of common stocks will decline, which could also result in losses for the Fund.

**Other Equity Securities Risk.** In addition to shares of common stock, the equity securities held by the Portfolio Funds may include preferred stocks, convertible preferred stocks, convertible bonds, and warrants. Like shares of common stock, the value of these equity securities may fluctuate in response to many factors, including the activities of the issuer, general market and economic conditions, interest rates, and specific industry changes. Also, regardless of any one company's particular prospects, a declining stock market may produce a decline in prices for all equity securities, which could also result in losses for the Fund.

**Fixed Income Risk.** While the Fund will not invest directly in fixed income securities, the Fund the Fund will be subject to the risks associated with such investments since the Portfolio Funds may invest in fixed income securities. The prices of these securities respond to economic developments, particularly interest rate changes, as well as to perceptions about the creditworthiness of individual issuers. Fixed income securities tend to decrease in value if interest rates rise and vice versa, and the volatility of lower-rated securities is even greater than that of higher-rated securities. Also, longer-term securities are more volatile, so the average maturity or duration of these securities affects risk. Credit risk is the possibility that an issuer will fail to make timely payments of interest or principal or go bankrupt. The lower the rating of a debt security, the greater its risks.

**Commodities Risk.** The Portfolio Funds held by the Fund may have exposure to the commodities markets, subjecting the Fund to risks not associated with investments in traditional securities. The value of commodities related investments may be affected by changes in overall market movements, commodity index volatility, changes in interest rates, or factors affecting a particular industry or commodity, including drought, floods, weather, livestock disease, embargoes, and tariffs. The prices of industrial metals, precious metals, agriculture, and livestock commodities may fluctuate widely due to changes in value, supply and demand, and governmental regulatory policies.

**Mortgage- and Asset-Backed Securities Risk.** The Portfolio Funds may invest in mortgage- and asset-backed securities. Mortgage-related securities represent ownership in pools of mortgage loans. Asset-backed securities are structured like mortgage-backed securities, but the underlying assets may include such items as installment loan contracts, property leases, and credit card agreements. As with other interest-bearing securities, the prices of such securities are affected by changes in interest rates. Prices are also affected by changes in the rate of prepayment of principal, which affects the average maturity of the securities and makes it difficult to accurately predict returns. The trading market for mortgage- and asset-backed securities, while ordinarily liquid, may become restricted in times of financial stress.

**Municipal Securities Risk.** The yields of municipal securities may move differently and adversely compared to the yields of the overall debt securities markets. There could be changes in applicable tax laws or tax treatments that reduce or eliminate the current federal income tax exemption on municipal securities or otherwise adversely affect the current federal or state tax status of municipal securities.

**Quantitative Model Risk.** Portfolio Funds or other investments selected using quantitative methods may perform differently from the market as a whole for many reasons, including the factors used in building the quantitative analytical framework, the weights placed on each factor, and changing sources of market returns, among others. There can be no assurance that these methodologies will enable the Fund to achieve its objective.

**Real Estate Risk.** The Portfolio Funds held by the Fund may invest in securities of issuers engaged in or related to the real estate industry. Real estate related investments are subject to risks related to possible declines in the value of real estate; general and local economic conditions; possible lack of availability of mortgage funds; overbuilding; extended vacancies of properties; increases in competition, property taxes, and operating expenses; changes in zoning laws; costs resulting from the clean-up of, and liability to third parties for damages resulting from, environmental problems; casualty or condemnation losses; uninsured damages from floods, earthquakes, or other natural disasters; limitations on and variations in rents; and changes in interest rates.

**Corporate Debt Securities Risk.** Portfolio Funds may invest in corporate debt securities. Corporate debt securities are fixed income securities issued by businesses. Notes, bonds, debentures, and commercial paper are the most prevalent types of corporate debt securities. The credit risks of corporate debt securities vary widely among issuers. In addition, the credit risk of an issuer's debt security may vary based on its priority for repayment, meaning that issuers might not make payments on subordinated securities while continuing to make payments on senior securities or, in the event of bankruptcy, holders of senior securities may receive amounts otherwise payable to the holders of subordinated securities.

#### **Item 9 – Disciplinary Information**

FolioMetrix has no legal or disciplinary events that are material to a client's or prospective client's evaluation of our business or the integrity of our management.

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

FolioMetrix, LLC is **not** and does **not** have a related company that is a:

1. Broker/dealer, municipal securities dealer, government securities dealer or broker,
2. Investment Company or other pooled investment vehicle (including a mutual fund, closed-end Investment Company, unit investment trust, private investment company or "hedge fund," and offshore fund),
3. Other investment adviser or financial planner,
4. Futures commission merchant, commodity pool operator, or commodity trading advisor,
5. Banking or thrift institution,
6. Accountant or accounting firm,
7. Lawyer or law firm,
8. Insurance company or agency,
9. Pension consultant,
10. Real estate broker or dealer, or
11. Sponsor or syndicator of limited partnerships.

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

### **Code of Ethics Summary**

FolioMetrix has adopted a Code of Ethics for all employees of the firm describing our high standards of business conduct, fiduciary duty to our clients, and rules surrounding personal securities trading by our employees.

The Code of Ethics also includes guidelines related to gifts and to the reporting of personal securities holdings and trading activity. All FolioMetrix employees must accept in writing the terms of the Code of Ethics upon employment, annually, or as amended.

A copy of the FolioMetrix Code of Ethics may be requested by contacting the firm's Chief Compliance Officer, Mrs. Julie Koethe, at 888-952-4807.

### **Affiliate and Employee Personal Securities Transactions Disclosure**

FolioMetrix, LLC or its associated persons may buy or sell for their personal accounts, investment products identical to those recommended to clients. This creates a potential conflict of interest. It is the express policy of FolioMetrix, LLC that all persons associated in any manner with the firm must place the interests of our clients ahead of their own when implementing personal investments. FolioMetrix, LLC and its associated persons shall not buy or sell securities for their personal account(s) where their decision is derived, in whole or in part, by information obtained as a result of his/her employment unless the information is also available to the investing public upon reasonable inquiry. In order to minimize this conflict of interest, securities recommended by FolioMetrix, LLC are widely held and publicly traded.

## **Item 12 – Brokerage Practices**

FolioMetrix, LLC's business is primarily to provide research, analysis and make recommendations to investment advisors, to create Model Portfolios for our Retirement Plan clients or unaffiliated investment advisors, to provide asset management services to investment companies, and to provide investment management services through our Wrap Fee Management Program. In placing transactions for clients, we are responsible to ensure that the transaction receives the best execution possible.

FolioMetrix participates in the institutional advisor program (the "Program") offered by TD Ameritrade Institutional. TD Ameritrade Institutional is a division of TD Ameritrade Inc., member FINRA/SIPC/NFA ("TD Ameritrade"), an unaffiliated SEC-registered broker-dealer and FINRA member. TD Ameritrade offers to independent investment advisors services which include custody of securities, trade execution, clearance and settlement of transactions. FolioMetrix receives some benefits from TD Ameritrade through its participation in the Program.

FolioMetrix may recommend TD Ameritrade to clients for custody and brokerage services. There is no direct link between FolioMetrix's participation in the Program and the investment advice it gives to its clients, although FolioMetrix receives economic benefits that are typically not available to TD Ameritrade retail investors through our participation in the Program. These benefits include the following products and services (provided without cost or at a discount): receipt of duplicate client statements and confirmations; research related products and tools; consulting services; access to a trading desk serving our participants; access to block trading (which provides the ability to aggregate securities transactions

for execution and then allocate the appropriate shares to client accounts); the ability to have advisory fees deducted directly from client accounts; access to an electronic communications network for client order entry and account information; access to mutual funds with no transaction fees and to certain institutional money managers; and discounts on compliance, marketing, research, technology, and practice management products or services provided to FolioMetrix by third-party vendors. TD Ameritrade may also have paid for business consulting and professional services received by our related persons. Some of the products and services made available by TD Ameritrade through the Program may benefit FolioMetrix but may not benefit client accounts. These products or services may assist FolioMetrix in managing and administering client accounts, including accounts not maintained at TD Ameritrade. Other services made available by TD Ameritrade are intended to help FolioMetrix manage and further develop its business enterprise. The benefits received by FolioMetrix or our personnel through participation in the Program do not depend on the amount of brokerage transactions directed to TD Ameritrade. As part of its fiduciary duties to clients, FolioMetrix endeavors at all times to put clients' interests first. Clients should be aware, however, that the receipt of economic benefits by FolioMetrix or our related persons in and of itself creates a potential conflict of interest and may indirectly influence FolioMetrix's choice of TD Ameritrade for custody and brokerage services.

### **Handling of Trade Errors**

We have implemented procedures designed to prevent trade errors; however, trade errors cannot always be avoided. Consistent with its fiduciary duty, it is the policy of *FolioMetrix, LLC* to correct trade errors in a manner that is in the best interest of the client. In cases where the client causes the trade error, the client will be responsible for any loss resulting from the correction. Depending on the specific circumstances of the trade error, the client may not be able to receive any gains generated as a result of the error correction. In all situations where the client does not cause the trade error, the client will be made whole and any loss resulting from the trade error will be absorbed by FolioMetrix, LLC if the error was caused by FolioMetrix, LLC. If the error is caused by the broker-dealer, the broker-dealer will be responsible for covering all trade error costs. If an investment gain results from the correcting trade, the gain will remain in the client's account unless the same error involved other client account(s) that should also receive the gains and it is not permissible for all clients to retain the gain. FolioMetrix, LLC may also confer with clients to determine if the client should forego the gain (e.g., due to tax reasons).

FolioMetrix, LLC will never benefit or profit from trade errors.

### **Block Trading Policy**

Transactions implemented by FolioMetrix, LLC for Investment Company client accounts are generally affected independently. Since each Investment Company has a unique investment objective the opportunity to aggregate orders are very limited. FolioMetrix client accounts other than Investment Company accounts, FolioMetrix also typically will place transactions independently for each client. However, in the event that FolioMetrix, LLC determines that it is appropriate to aggregate orders, the allocation of securities among accounts will be done on a fair and equitable basis. Typically, the process of aggregating orders is done in order to achieve better execution, to negotiate more favorable commission rates or to allocate orders among portfolios on a more equitable basis in order to avoid differences in prices and transaction fees or other transaction costs that might be obtained when orders are placed independently.

FolioMetrix uses the average price allocation method for transaction allocation. Under this procedure, transactions will be averaged as to price and will be allocated among the firm's portfolios in proportion to

the purchase and sale orders placed for each client account on any given day. When FolioMetrix, LLC determines to aggregate orders for the purchase or sale of securities, including securities in which FolioMetrix, LLC may invest, the firm will do so in accordance with the parameters set forth in the SEC No-Action Letter, SMC Capital, Inc. It should be noted, FolioMetrix, LLC does not receive any additional compensation or remuneration as a result of aggregation.

### **Item 13 – Review of Accounts**

#### **Account Reviews and Reviewers**

For the investment management services provided to investment companies, securities held by each investment company are monitored on a regular basis in a manner consistent with the prospectus and statement of additional information of each Investment Company and applicable law.

For accounts that participate in the Wrap Fee Management Program, account reviews are conducted at least quarterly by the FolioMetrix investment operations staff. While the calendar is the main triggering factor for such reviews, reviews can also be conducted at a client's request or at the request of the solicitor. Reviews are performed in accordance with the client's investment goals and objectives as indicated in the completed Investor Questionnaire.

#### **Statements and Reports**

The investment company(s) to which FolioMetrix, LLC provides investment advisory services will provide quarterly statements to shareholders. FolioMetrix, LLC will provide no direct reporting.

For the Wrap Fee Management Program services, clients are provided with transaction confirmation notices and regular quarterly account statements directly from the qualified custodian (TD Ameritrade). Additionally, FolioMetrix will provide quarterly performance reports.

Clients are encouraged to always compare any reports provided by FolioMetrix against the account statements delivered from the qualified custodian. Questions about account statement should be directed to the solicitor or the solicitor's Investment Adviser Representative or to the qualified custodian preparing the statement. Any inconsistencies between the reports provided by FolioMetrix and the account statements provided from the qualified custodian should be immediately reported to FolioMetrix and the qualified custodian.

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

FolioMetrix, LLC enters into Solicitor's agreements with unaffiliated independent Registered Investment Advisers who then offer FolioMetrix's advisory services to clients through its investment adviser and registered representatives. FolioMetrix adheres to the solicitor's rule pursuant to the Investment Advisers Act Rule 206(4)-3. All material information describing the solicitor's activities and compensation is disclosed to the client in the solicitor's disclosure statement.

### **Item 15 – Custody**

Custody, as it applies to investment advisors, has been defined by regulators as having access or control over client funds and/or securities. In other words, custody is not limited to physically holding client funds and securities. If an investment adviser has the ability to access or control client funds or securities, the investment adviser is deemed to have custody and must ensure proper procedures are implemented. FolioMetrix, LLC is deemed to have custody of client funds and securities whenever FolioMetrix, LLC is



given the authority to have fees deducted directly from client accounts. However, this is the only form of custody FolioMetrix, LLC maintains. When fees are deducted from an account, FolioMetrix, LLC is responsible for calculating the fee and delivering instructions to the custodian.

It should be noted that authorization to trade in client accounts is not deemed by regulators to be custody. For accounts in which FolioMetrix, LLC is deemed to have custody, FolioMetrix, LLC has established procedures to ensure all client funds and securities are held at a qualified custodian in a separate account for each client under that client's name. Clients or an independent representative of the client will direct, in writing, the establishment of all accounts and therefore are aware of the qualified custodian's name, address and the manner in which the funds or securities are maintained. Finally, account statements are delivered directly from the qualified custodian to each client, or the client's independent representative, at least quarterly. Clients should carefully review those statements and are urged to compare the statements against reports received from FolioMetrix, LLC. When clients have questions about their account statements, they should contact FolioMetrix, LLC or the qualified custodian preparing the statement.

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

Through its asset management services and upon receiving written authorization as a part of management agreement with the fund's Board, FolioMetrix, LLC will maintain trading authorization over Investment Company assets. Upon receiving written authorization in accordance with the Management Agreement, FolioMetrix, LLC will implement trades on a **discretionary** basis. The prospectus and statement of additional information for each investment company client of FolioMetrix, LLC may set forth any limit on investment authority, discretion, and brokerage selection related to investment authority and discretion.

When providing investment management services through the Wrap Fee Management Program, FolioMetrix, LLC maintains trading authorization over client accounts and provides investment management services on a **discretionary** basis, which means that FolioMetrix, LLC has authority to determine the type and amount of securities that can be bought or sold for the client's portfolio without obtaining the client's consent for each transaction. Clients have the ability to place reasonable restrictions on the types of investments that may be purchased in the client's account and clients may place reasonable limitations on the discretionary power granted to FolioMetrix, LLC so long as the limitations are specifically set forth in the client's executed services agreement.

For certain solicited accounts, FolioMetrix maintains discretion that is limited to access to balance inquiries and execution of trades in accordance to the models for which the clients have subscribed.

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

For accounts that participate in the Wrap Fee Management Program, FolioMetrix will not vote proxies issued for the investment holdings of a client's Designated Assets. Each client is instructed to read through the information provided with any proxy voting documents received and make a determination based on the information provided. If requested by a client, FolioMetrix may provide the client with limited clarifications of the issues presented in the proxy voting materials. However, the client will have the ultimate responsibility for making proxy voting decisions for the investment holdings of the client's Designated Assets. Clients will receive proxies directly from their custodian or transfer agent and such documents will not be delivered by FolioMetrix, LLC.

For investment management services to an investment company, (i.e., as the investment adviser to the FMX Funds), FolioMetrix is responsible for voting proxies for the investments held by the investment company (i.e., the investments held by the FMX Funds). However, it should be noted that when a client is participating in the Wrap Fee Management Program and FMX Funds are held in the client's account, the client is responsible for voting any proxies **issued by** the FMX Funds.

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

FolioMetrix, LLC does not require or solicit prepayment of more than \$1200 Draft Revisions in fees per client, six months or more in advance. Therefore, we are not required to include a balance sheet for our most recent fiscal year. We are not subject to a financial condition that is reasonably likely to impair our ability to meet contractual commitments to clients. Finally, FolioMetrix, LLC has not been the subject of a bankruptcy petition at any time.

### ***CUSTOMER PRIVACY POLICY NOTICE***

This notice describes the privacy practices followed by FolioMetrix, LLC. Your privacy is our top priority. Our policy is to respect the privacy of current and former clients and to protect personal information entrusted to us. We do not share any nonpublic personal information of clients or former clients with any nonaffiliated third parties, except as permitted by law or as authorized by our clients. In the course of providing products and services to you, we collect nonpublic personal information about you from various sources such as account applications or agreements, other account forms, transactions in your account, and from information captured on our websites, including any information captured through our use of "cookies." Such information may include your name, address, account or tax identification number, the types and amounts of investments, and bank account information.

In the normal course of serving clients, information we collect may be shared with companies that perform various services such as custodians, broker-dealers and marketing service firms, as well as with other financial institutions with whom we have joint marketing agreements. We may share information in connection with servicing accounts or to inform clients of products and services that we believe may be of interest to them. The organizations that receive client information will use that information only for the services required and as allowed by applicable law or regulation, and are not permitted to share or use this information for any other purpose.

Access to customers' nonpublic personal information is restricted to employees who need to access that information. We use industry standard physical, electronic, and procedural safeguards to protect client information. A client's right to privacy extends to all forms of contact with us, including telephone, written correspondence, and electronic media, such as the Internet.

**Information Required by Part 2B of Form ADV: *Brochure Supplement – D. Jerry Murphey***

The following are responses to each item found in the Form ADV Part 2B instructions.

**Item 1 – Cover Page**

All information required in the Form ADV Part 2B instructions can be found on the cover page of this Disclosure Brochure.

**Item 2 – Educational Background and Business Experience**

Dale Jerome (Jerry) Murphey -- President and Managing Director; Born in 1958

**Educational Experience:**

No Formal Education after High School

**Business Experience:**

FolioMetrix LLC, President and Managing Director, 2009 - present

Prudential Investment Management Services, Vice President, 2000 - 2008

Dearborn Financial Institute, Inc., Operations Director, 1994 - 2000

Mutual Data, Inc. (MDI), Vice President, 1990 - 1994

**Item 3 – Disciplinary Information**

As previously stated in Item 9 of this Disclosure Brochure, I have never been subject to a legal or disciplinary event.

**Item 4 – Other Business Activities**

Please see Item 10 of this Disclosure Brochure for details regarding my other business activities.

**Item 5 – Additional Compensation**

Other than the fees detailed in Item 5 of this Disclosure Brochure, I receive no other compensation related to advisory services provided to clients.

**Item 6 – Supervision**

Julie Koethe is Chief Operating Officer and Chief Compliance Officer of FolioMetrix LLC and ultimately responsible for the firm's compliance program including establishing procedures designed to monitor and supervise the activities and services provided by the firm and its supervised persons. Mrs. Koethe's phone number is 888-952-4807.

## **Information Required by Part 2B of Form ADV: *Brochure Supplement - Julie Koethe***

The following are responses to each item found in the Form ADV Part 2B instructions.

### **Item 1 – Cover Page**

All information required in the Form ADV Part 2B instructions can be found on the cover page of this Disclosure Brochure.

### **Item 2 – Educational Background and Business Experience**

Julie Koethe – Chief Financial Officer, Chief Compliance Officer; Born in 1980

#### **Education Background:**

Nebraska Wesleyan University, Bachelor of Science, Business Administration with an Emphasis in Accounting, 2002

#### **Business Experience:**

FolioMetrix LLC, Chief Financial Officer/Chief Compliance Officer, 2010 - Present

Applied Underwriters Inc., Insurance Accounting Supervisor, 2003 - 2010

Basso, McClure, Goeglein, LLP, Tax Accountant, 2001 - 2003

### **Item 3 – Disciplinary Information**

As previously stated in Item 9 of this Disclosure Brochure, I have never been subject to a legal or disciplinary event.

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

Please see Item 10 of this Disclosure Brochure for details regarding my other business activities.

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

Other than the fees detailed in Item 5 of this Disclosure Brochure, I receive no other compensation related to advisory services provided to clients.

### **Item 6 – Supervision**

I am the Chief Operating Officer and Chief Compliance Officer of FolioMetrix LLC and ultimately responsible for the firm's compliance program including establishing procedures designed to monitor and supervise the activities and services provided by the firm and its supervised persons. I can be reached at 888-952-4807.

## **Information Required by Part 2B of Form ADV: *Brochure Supplement - Gerry Campbell***

The following are responses to each item found in the Form ADV Part 2B instructions.

### **Item 1 – Cover Page**

All information required in the Form ADV Part 2B instructions can be found on the cover page of this Disclosure Brochure.

### **Item 2 – Educational Background and Business Experience**

Gerry Campbell, CIMA, AIF, CMCC, Senior Research Analyst and Portfolio Manager; Born in 1949

#### **Education Background:**

Monmouth University, Master of Business Administration, 2000

Georgian Court University, Bachelor of Science, Business Administration, 1996

Accredited Investment Fiduciary (AIF)\*\* designation, 2006

Certified Investment Management Analysts (CIMA)\* designation, 2003

Chartered Mutual Fund Counselor (CMCC)\*\*\*, 2002

#### **Business Experience:**

FolioMetrix LLC, Senior Research Analyst, September 2009 - present.

Prudential Investment Management Services, Senior Wealth Analyst, March 1999 - December 2008

### **Item 3 – Disciplinary Information**

As previously stated in Item 9 of this Disclosure Brochure, I have never been subject to a legal or disciplinary event.

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

Please see Item 10 of this Disclosure Brochure for details regarding my other business activities.

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

Other than the fees detailed in Item 5 of this Disclosure Brochure, I receive no other compensation related to advisory services provided to clients.

### **Item 6 – Supervision**

Julie Koethe is Chief Operating Officer and Chief Compliance Officer of FolioMetrix LLC and ultimately responsible for the firm's compliance program including establishing procedures designed to monitor and supervise the activities and services provided by the firm and its supervised persons. Mrs. Koethe's phone number is 888-952-4807.

**\*Certified Investment Management Analyst (CIMA) Designation granted by Investment Management Consultants Association (IMCA).**

The CIMA certification signifies that an individual has met initial and on-going experience, ethical, education, and examination requirements for investment management consulting, including advanced investment management theory and application. Prerequisites for the CIMA certification are three years of financial services experience and an acceptable regulatory history. To obtain the CIMA certification, candidates must pass an online Qualification Examination, successfully complete a one-week classroom education program provided by a Registered Education Provider at an AACSB (Association to Advance Collegiate Schools of Business) accredited university business school, and pass an online Certification Examination. CIMA designees are required to adhere to IMCA's Code of Professional Responsibility, Standards of Practice, and Rules and Guidelines for Use of the Marks. CIMA designees must report 40 hours of continuing education credits, including two ethics hours, every two years to maintain the certification.

**\*\* The Accredited Investment Fiduciary (AIF®) designation is granted by the Center for Fiduciary Studies**

AIF designees must complete six hours of continuing professional education with at least four coming from fi360-produced sources and attest to a code of ethics.

**Continuing Education Requirements:**

AIF designees must obtain six combined hours of continuing professional education each renewal year from the sources listed below (at least four hours must be accumulated from the listed fi360-produced sources):

- The fi360 annual conference (live event)
- Archived recordings from past fi360 conferences (from the on-demand fi360 CE directory)
- fi360 Resources webinars (live)
- Archived recordings of Resources webinars (from the on-demand fi360 CE directory)
- Relevant events produced by sources outside of fi360 (max of two hours per year allowed)
- Web-based AIF Training (course audit)
- Participation in a CEFEX Certification team or as a liaison officer at a firm being Certified (max of 3 hours/year)

**\*\*\*CHARTERED MUTUAL FUND COUNSELOR<sup>SM</sup> AND CMFC<sup>®</sup> designation is granted by The College for Financial Planning<sup>®</sup> to students who:**

- Successfully complete the program of study which includes: Introduction to Mutual Funds, Open- & Closed-End Funds: Types & Characteristics, Other Packaged Investment Products, Risk/Return: Part I, Risk/Return: Part II, Asset Allocation, Selecting a Mutual Fund for a Client, Retirement Planning and Ethics, Integrity & Professional Conduct.
- Pass the final examination; and
- Complying with the Code of Ethics, which includes agreeing to abide by the Standards of Professional Conduct and Terms and Conditions. Applicants must also disclose of any criminal, civil, self-regulatory organization, or governmental agency inquiry, investigation, or proceeding relating to their professional or business conduct. Conferment of the designation is contingent upon the College for Financial Planning's review of matters either self-disclosed or which are discovered by the College that are required to be disclosed.

Continued use of the CMFC<sup>®</sup> designation is subject to ongoing renewal requirements. Every two years individuals must renew their right to continue using the CMFC<sup>®</sup> designation by completing 16 hours of continuing education and reaffirming to abide by the Standards of Professional Conduct, Terms and Conditions, and self disclose any criminal, civil, self-regulatory organization, or governmental agency inquiry, investigation, or proceeding relating to their professional or business conduct.

## **Information Required by Part 2B of Form ADV: *Brochure Supplement – Chase Weaver***

The following are responses to each item found in the Form ADV Part 2B instructions.

### **Item 1 – Cover Page**

All information required in the Form ADV Part 2B instructions can be found on the cover page of this Disclosure Brochure.

### **Item 2 – Educational Background and Business Experience**

Chase Weaver, CFA, Client Services, Portfolio Specialist and Portfolio Manager; Born in 1987

#### **Education Background:**

CFA, 2013, CFA Institute and CFA Society of Nebraska

Creighton University, Masters of Security Analysis and Portfolio Management, 2012

University of Nebraska-Lincoln, Bachelor of Science, Business Administration, 2008

#### **Business Experience:**

FolioMetrix LLC, Client Services, Portfolio Specialist, March 2010 - present

Bailey Financial, Financial Administrator, January 2009 - July 2010

University of Nebraska-Lincoln, Full-Time Student, August 2005 - December 2008

### **Item 3 – Disciplinary Information**

As previously stated in Item 9 of this Disclosure Brochure, I have never been subject to a legal or disciplinary event.

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

Please see Item 10 of this Disclosure Brochure for details regarding my other business activities.

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

Other than the fees detailed in Item 5 of this Disclosure Brochure, I receive no other compensation related to advisory services provided to clients.

### **Item 6 – Supervision**

Julie Koethe is Chief Operating Officer and Chief Compliance Officer of FolioMetrix LLC and ultimately responsible for the firm's compliance program including establishing procedures designed to monitor and supervise the activities and services provided by the firm and its supervised persons. Mrs. Koethe's phone number is 888-952-4807.

## **Information Required by Part 2B of Form ADV: Brochure Supplement – Gregory A. Rutherford**

The following are responses to each item found in the Form ADV Part 2B instructions.

### **Item 1 – Cover Page**

All information required in the Form ADV Part 2B instructions can be found on the cover page of this Disclosure Brochure.

### **Item 2 – Educational Background and Business Experience**

Gregory A. Rutherford, CFP®, MBA, Managing Director and Portfolio Manager; Born in 1962

#### **Educational Experience:**

Golden Gate University, San Francisco, CA, Masters of Business Administration, 1989

University of Nebraska at Omaha (NE), Bachelor of Science in Business Administration, 1984

#### **Business Experience:**

FolioMetrix LLC, Managing Director, July 2011 – present

The Tagge Rutherford Group, Inc., President & Partner, 1993 – 2011

Multi Financial Securities Corp., Registered Representative, Investment Advisor Representative February 2006 – July 2011

Royal Alliance Associates, Registered Representative, Investment Advisor Representative June 2001 – February 2006

### **Item 3 – Disciplinary Information**

As previously stated in Item 9 of this Disclosure Brochure, I have not been the subject of a legal or disciplinary event that would be required to be disclosed in this brochure.

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

Please see Item 10 of this Disclosure Brochure for details regarding my other business activities.

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

Other than the fees detailed in Item 5 of this Disclosure Brochure, I receive no other compensation related to advisory services provided to clients.

### **Item 6 – Supervision**

Julie Koethe is Chief Operating Officer and Chief Compliance Officer of FolioMetrix LLC and ultimately responsible for the firm's compliance program including establishing procedures designed to monitor and supervise the activities and services provided by the firm and its supervised persons. Mrs. Koethe's phone number is 888-952-4807.



## **Information Required by Part 2B of Form ADV: *Brochure Supplement – Steve Wruble***

The following are responses to each item found in the Form ADV Part 2B instructions.

### **Item 1 – Cover Page**

All information required in the Form ADV Part 2B instructions can be found on the cover page of this Disclosure Brochure.

### **Item 2 – Educational Background and Business Experience**

Steve Wruble, CFA, Chief Investment Officer and Portfolio Manager; Born in 1982

#### **Education Background:**

CFA, 2012, CFA Institute and CFA Society of Nebraska

Creighton University, Masters of Security Analysis and Portfolio Management, 2012

The Hedge Fund Group-NY, Certified Hedge Fund Professional Level I (CHPTM), 2009

Advisors Asset Management- San Antonio, Advanced Fixed-Income Workshop, 2009

College for Financial Planning, Accredited Asset Management Specialist (AAMSTM), 2008

University of Nebraska-Lincoln, Bachelor of Science, Business Administration, 2006

#### **Business Experience:**

FolioMetrix LLC, Chief Investment Officer, November 2011 - present

The Solutions Group, Inc, Portfolio Strategist, Investment Analyst, April 2008 – November 2011

Footprints Asset Management and Research, Client Relationship Manager, September 2006 – April 2008

### **Item 3 – Disciplinary Information**

As previously stated in Item 9 of this Disclosure Brochure, I have never been subject to a legal or disciplinary event.

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

Please see Item 10 of this Disclosure Brochure for details regarding my other business activities.

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

Other than the fees detailed in Item 5 of this Disclosure Brochure, I receive no other compensation related to advisory services provided to clients.

### **Item 6 – Supervision**

Julie Koethe is Chief Operating Officer and Chief Compliance Officer of FolioMetrix LLC and ultimately responsible for the firm's compliance program including establishing procedures designed to monitor and supervise the activities and services provided by the firm and its supervised persons. Mrs. Koethe's phone number is 888-952-4807.