



## Round Investments LLC

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Wrap Fee Brochure

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This wrap fee program brochure (this “Brochure”) provides information about the qualifications and business practices of Round Investments LLC (“Round”). If you have any questions about the contents of this brochure, please contact us at (323) 487-3520 or email Round at [team@investround.com](mailto:team@investround.com). The information in this brochure has not been approved or verified by the United States Securities and Exchange Commission (the “SEC”) or by any state securities authority. Registration of an investment adviser with the SEC does not imply any level of skill or training.

Additional information about Round is also available on the SEC’s website at [www.adviserinfo.sec.gov](http://www.adviserinfo.sec.gov).

**Item 2 – Material Changes**

Not applicable.

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## Item 4 – Services, Fees and Compensation

### Advisory Firm Description

Founded in March 2017, Round is an investment adviser registered with the Securities and Exchange Commission and has filed the required documentation in all states where such filings are required. Round Investments Management LLC is the principle owner of Round Investments LLC. Saul Cohen and Ron Rojany are the founders and owners of Round Investment Management LLC. For any questions or additional information, please call Round at (323) 487-3520 or email at [team@investround.com](mailto:team@investround.com). You should review this brochure carefully.

### The Round Investments Wrap Fee Program

Round offers its portfolio management services through the Round Investments Wrap Fee Program (the “Program”). Round’s investment advice is limited to the Program.

The Program is offered exclusively online through Round’s mobile application. The Round mobile application provides a software-based portfolio allocation tool to its clients, which recommends a mix of three investment strategies: cash investment strategy (“Cash Strategy”), an actively managed ETF strategy (“Market Strategy”), and an actively managed multi-asset class strategy (“Core Strategy”).

When opening an account on Round’s application, a client will provide information—such as his or her financial situation, investment objectives, and goals—into Round’s questionnaire, which is used by our algorithm to recommend a target strategy allocation for his or her portfolio at Round. The questions asked are intended to determine a prospective client’s subjective and objective risk tolerance. Subjective risk tolerance is determined based on questions related to a prospective client’s willingness to take on risk. Objective risk tolerance is based on a prospective client’s ability to take on risk. This information consists of: age, financial condition, employment status, investment objectives, time horizon, and risk tolerance. Based on the information provided, Round will propose a portfolio allocation made up of the three investment strategies offered by Round.

The client may elect to implement this recommended portfolio allocation or select their desired allocation to each investment strategy. To do so, a client must enter into an advisory agreement with Round and open a securities brokerage account and complete an account agreement with Apex Clearing Corporation (“Apex”), an SEC registered broker dealer that provides execution, clearing, custody and other brokerage related services to clients within the Program.

### Fees

Under the Program, accounts with a balance of \$1,200 or more pay a single asset-based fee for brokerage, custodial, investment advisory and other related services (the “Program Fee”). The Program Fee is 1% per year

Accounts with a balance under \$1,200 pay a fixed fee of \$1 per month.

The fee schedule is as follows:

Account Balance	Fee
Under \$1,200	\$1 per month
\$1,200 or more	1% / year, charged monthly

The fee structure may not be appropriate for individuals with small account balances.

The Program Fee is calculated based on a client's month ending balance and charged monthly in arrears. The custodian will deduct fees from the assets in the client's account monthly to pay Round. For the initial period of an engagement, the fee is calculated on a pro rata basis.

In the event the advisory agreement is terminated, the fee for the final billing period is prorated through the effective date of the termination and the outstanding portion of the fee is charged to the client.

### **Fee Comparison**

As referenced above, a portion of the Program Fee is used to cover the securities brokerage commissions and transactional costs attributed to the management of Round's clients' portfolios. The number of transactions made in clients' accounts, as well as the commissions charged for each transaction, determines the relative cost of the Program versus paying for execution on a per transaction basis and paying a separate fee for advisory services. Services provided through the Program may cost clients more or less than purchasing these services separately. Lower fees for comparable services provided through the Program may be available from other sources. A wrap fee account may not be in the best interest of a client with minimal or no trading activity as compared to a non-wrap fee account or brokerage account where the client would otherwise pay trading costs as incurred but a lower fee in a non-wrap account or no advisory fee in a brokerage account.

### **Fee Discretion**

The Program Fee is not negotiable. Round reserves the right, in its sole discretion, to reduce or waive the Program Fee for certain client accounts for any period. In addition, Round may reduce or waive Program Fees for the accounts of some clients without notice to, or fee adjustment for, other clients.

### **Other Charges**

In addition to the Program Fee, clients may incur certain other charges imposed by third party financial institutions. These additional costs may include: reporting charges (typically where the financial institution is required to send paper statements), margin costs, charges imposed directly by an ETF, transfer taxes, wire transfer and electronic fund fees. The ETFs and mutual funds recommended by Round have fees that are separate and distinct from the fees paid to Round for the Program. These fees are outlined in the prospectus for each ETF and mutual fund.

In certain circumstances, Round reserves the right to charge a client for special requests or irregular services.

### **Direct Fee Debit**

Clients generally provide Apex, the Program's custodian, with the authority to directly debit their Apex accounts for payment of the Program Fee. Apex will deduct these fees and send statements to clients not less frequently than quarterly, detailing all account transactions, including any Program Fees paid to Round.

### **Account Additions and Withdrawals**

Clients may make additions to and withdrawals from their account at any time, subject to Round's right to terminate an account. Additions must be in cash. Clients may withdraw account assets on notice to Round, subject to the usual and customary securities settlement procedures; however, the withdrawal of assets may impair the achievement of a client's investment objectives. Clients are advised that when securities are withdrawn, they may be subject to transaction fees, and/or tax ramifications. Clients may terminate an account upon 10 business days prior written notice.

### **Other Compensation**

Round does not receive any fees or other compensation from any third party for providing advice to our Clients.

### **Item 5 – Account Requirements and Types of Clients**

The Program is available to individuals who are legal U.S. residents who reside in the State of California and maintain a checking account with a U.S. bank. The minimum account size is \$50, and the minimum deposit is \$50.

### **Item 6 – Portfolio Manager Selection and Evaluation**

Round is the sponsor and sole portfolio manager for the Program.

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

Round does not charge performance-based fees. Our advisory fees are only charged as disclosed above in Item 4.

### **Methods of Analysis, Investment Strategies**

Round provides diversified investment portfolios that are personalized to a client's investment goals, risk capacity, current financial assets and earnings power. Round's primary approach is strategic asset allocation in Round's three distinct investment strategies aimed at reducing overall portfolio risk through diversification. Such assets are all subject to varying degrees of investment, market, credit, interest rate, and regulatory risks. Round does not engage in general market-timing or specific timing of economic cycles, asset or sector class, or individual securities.

Round trades in client accounts for any number of reasons, including in response to client actions—such as strategy allocation changes, deposits, and withdrawals. Round additionally trades in client accounts to achieve strategy specific objectives. Client's strategy allocations may fluctuate from time to time, as security selection within each strategy changes.

Round uses charting, fundamental analysis, and technical analysis to formulate investment opportunities on behalf of our clients. In addition, Round may rely on research, economic theory, quantitative methods, and capital markets data of third-party market service data providers, including without limitation Bloomberg, Reuters, Mobius, and rating agencies.

Round manages client assets through the use of similarly managed "model" portfolios, whereby Round allocates all or a portion of its clients' assets on a discretion basis using one or more of its proprietary investment strategies, including:

- **Market Strategy:** This strategy seeks to achieve capital appreciation over a long investment horizon, generally through investment in ETFs.
- **Core Strategy:** This strategy seeks to maximize total return and mitigate excess market risk through a changing mix of actively selected securities. This is done by investing in a wide range of equity securities selected from a variety of sectors.

Round cannot guarantee any level of performance or that any client will avoid a loss of account assets. Any investment in securities involves the possibility of financial loss that clients should be prepared to bear.

Round allocates transactions in each investment strategy on an objective basis and in a manner designed to assure that no participating client is favored over any other participating client.

Cash Considerations: (i) New client accounts with more investable cash may receive a larger allocation of a security (or securities) as other client accounts may be closer to being fully invested. (ii) There may be instances where existing client accounts receive larger inflows of cash. In these instances the clients account will need to be rebalanced with the investment strategy, then these accounts may receive a larger allocation of a particular security (or securities) than other accounts that are not in a similar cash position. The aforementioned factors may result in non-pro rata allocations, and some client accounts may receive an allocation when other client accounts do not.

## **Risk of Loss**

When assessing risk, financial loss may be viewed differently by each client and may depend on many different risk items, each of which may affect the likelihood of adverse consequences and the extent of any potential losses. The following risks may not be all-inclusive, but should be considered carefully by a potential client before retaining Round's services. These risks should be viewed as possibilities, with additional regard to their actual probability of occurring and the effect on a client if there is in fact an occurrence.

### Market Risk

The price of any security or the value of an entire asset class can decline for many reasons outside of Round's control, including, but not limited to, changes in the macroeconomic environment, unpredictable market sentiment, economic developments, interest rates, regulatory changes, and domestic or foreign political, demographic, or social events. If an investment strategy Round manages has a high allocation in an asset class, it may negatively affect overall performance to the degree that the asset class underperforms relative to other market assets. Conversely, if an investment strategy Round manages has a low allocation to a particular asset class that outperforms other asset classes in a particular period may cause that client account to underperform relative to the overall market.

### Equity Securities Risk

The prices of equity securities fluctuate in value more than other investments. Common stocks reflect changes in the issuing company's financial condition and changes in the overall market. Common stocks generally represent the riskiest investment in a company. The strategies may lose a large part, or even all, of their investment in a company's stock. Growth stocks may be more volatile than value stocks. If Round is incorrect about its expectations of market conditions, this could result in a loss, which in some

cases may be the whole account value. The equity investments include purchase of unaffiliated mutual funds. Our clients will be dependent on the performance of the unaffiliated mutual fund performance and their ability in implementing their own investment strategy.

#### Advisory Risk

There is no guarantee that Round's judgment or investment decisions about particular securities or asset classes will necessarily produce the intended results. Round's judgment may prove to be incorrect, and a client might not achieve their investment objectives. Round may also make future changes to the advisory services that it provides. In addition, it is possible that clients or Round itself may experience computer equipment failure, loss of internet access, viruses, or other events that may impair access to Round's software based financial advisory service. Round and its representatives are not responsible to any client for losses unless caused by Round breaching its fiduciary duty.

#### Volatility and Correlation Risk

Clients should be aware that Round's asset selection process is based in part on evaluation of past price movement and volatility to evaluate future probabilities. However, it is possible that different or unrelated asset classes may exhibit comparable price changes in similar directions which may unfavorably affect a client, and may become more acute in times of market disorder or high volatility.

#### Liquidity and Valuation Risk

High volatility and/or the lack active liquid markets for a security may prevent a client from selling his or her securities at all, or at an advantageous time or price because Round and the client's broker may have difficulty finding a buyer and may be forced to sell at a significant discount to market value. While Round values the securities held in client accounts based on reasonably available exchange-traded security data, Round may from time to time receive or use inaccurate data, which could adversely affect security valuations, transaction size for purchases or sales, and/or the resulting advisory fees paid by a client to Round.

#### Credit Risk

Round cannot control and clients are exposed to the risk that financial intermediaries or security issuers may experience adverse economic consequences that may include impaired credit ratings, default, bankruptcy or insolvency, any of which may affect portfolio values or management. This risk applies to assets on deposit with Apex. In addition, exchange trading venues or trade settlement and clearing intermediaries could experience adverse events that may temporarily or permanently limit trading or adversely affect the value of client securities. Any issuer of securities may experience a credit event that could impair or erase the value of the issuer's securities held by a client.

#### Legislative and Tax Risk

Performance may directly or indirectly be affected by government legislation or regulation. Round does not engage in financial or tax planning, and in certain circumstances a client may incur taxable income on his or her investments without a cash distribution to pay the tax due.

#### Foreign Investing and Emerging Markets Risk

Foreign investing involves risks not typically connected with U.S. investments, and the risks may be intensified further in emerging market countries. These risks may include, among others, adverse changes in foreign currency values, as well as adverse political, social and economic developments



affecting one or more foreign countries. In addition, foreign investing may involve less publicly available information and more volatile or less liquid securities markets. Investments in foreign countries could be impacted by factors not present in the U.S., such as restrictions on receiving the investment proceeds from a foreign country, foreign tax laws or tax withholding requirements, unique trade clearance or settlement procedures, and potential difficulties in enforcing contractual obligations or other legal rules that jeopardize shareholder protection. Foreign accounting may be less transparent than U.S. accounting practices and foreign regulation may be poor or irregular.

#### ETF Risks, including Net Asset Valuations and Tracking Error

ETF performance may not match the performance of the index or market benchmark that the ETF is designed to track because 1) the ETF will incur expenses and transaction costs not incurred by any relevant index or market benchmark; 2) certain securities encompassed in the index or market benchmark tracked by the ETF may, from time to time, temporarily be unavailable; and 3) supply and demand in the market for either the ETF and/or for the securities held by the ETF may cause the ETF shares to trade at a premium or discount to the actual net asset value of the securities owned by the ETF. Certain ETF strategies may include the purchase of fixed income, commodities, foreign securities, American Depositary Receipts, or other securities for which expenses and commission rates could be higher than normally charged for exchange-traded equity securities, and for which market quotations or valuation may be inaccurate. Clients should be mindful that to the extent they invest in ETF securities they will pay two levels of advisory compensation – advisory fees charged by Round plus any management fees charged by the issuer of the ETF. This may cause a higher advisory cost (and potentially lower investment returns) than if a Client purchased the ETF directly. An ETF typically includes embedded expenses that may reduce the fund's net asset value, and therefore directly affect the fund's performance and indirectly affect a client's portfolio performance or an index benchmark comparison. Expenses of the fund may include investment advisor management fees, custodian fees, brokerage commissions, and legal and accounting fees. ETF expenses may change from time to time at the sole discretion of the ETF issuer. ETF tracking error and expenses may vary.

#### Inflation, Currency, and Interest Rate Risks

Security prices and portfolio returns will likely vary in response to changes in inflation and interest rates. Inflation causes the value of future dollars to be worth less and may reduce the purchasing power of investor's in the future. Inflation also generally leads to higher interest rates, which in turn may cause the value of some types of fixed income investments to decline. In addition, the relative value of the U.S. dollar-denominated assets primarily managed by Round may be affected by the risk that currency devaluations affect Client purchasing power.

#### **Voting Client Securities**

Round clients assign the authority to receive and vote on all proxies and related materials, for all securities held in accounts with Round, to Round. Our firm maintains written policies and procedures as to the handling, research, voting and reporting of proxy voting and makes appropriate disclosures about our firm's proxy policies and practices. Our policy and practice includes the responsibility to monitor corporate actions, receive and vote client proxies and disclose any potential conflicts of interest as well as making information available to clients about the voting of proxies for their portfolio securities and maintaining relevant and required records. Clients may request additional information on how Round voted a client's proxies by emailing [team@investround.com](mailto:team@investround.com).

## **Item 7 – Client Information Provided to Portfolio Managers**

Round acts as the sole portfolio manager under the Program and, as such, Round does not share client information with any other portfolio managers. Round manages all client portfolios directly using its interactive mobile application.

When opening an account, clients must provide information to Round which is used by our algorithm to recommend a target strategy allocation for their portfolio at Round. The information consists of: age, financial condition, employment status, investment objectives, time horizon, and risk tolerance. Since no investment advice is provided directly from portfolio managers, clients will be reminded that they should update their information on Round's automated platform if his or her financial condition changes so that he or she may review alternative investment advice via the platform. Round relies upon the accuracy of the information entered by the client when proposing an investment plan. The recommended plan may not be suitable if the client has provided incorrect information or the information is out-of-date. Round will require clients who accumulate investments exceeding specified amounts to deliver additional information regarding their financial condition from time to time.

## **Item 8 – Client Contact with Portfolio Managers**

Information regarding a client's portfolio holdings, performance, and tracking to goal will be available to clients through Round's mobile application. Clients may contact Round by phone or email during its business hours with questions about the service. However, Round will not elaborate or expand upon the investment advice provided by its mobile application.

## **Item 9 – Additional Information**

### **Disciplinary Information**

Round has not been involved in any legal or disciplinary events that are material to a client's evaluation of its advisory business or the integrity of its management.

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

Round is not an affiliate of any broker-dealer or custodian bank. Round places orders with unaffiliated brokers to buy and sell securities in each strategy.

Round will use Apex, an unaffiliated broker-dealer, as custodian for its clients' accounts. Clients agree to direct brokerage in their accounts with Apex.

### **Code of Ethics**

Round puts the interests of its clients ahead of its own, and carefully manages for any perceived or actual conflict of interest that may arise in relation to its advisory services. Round has adopted a Code of Ethics ("Code"), which is intended to ensure that we meet our fiduciary obligation to Clients and detect and prevent any violations of securities laws. The Code sets forth the standards of business conduct expected of its supervised persons. This includes procedures to: (1) prevent access to material nonpublic information about Round's securities recommendations and client securities holdings and transactions by individuals who do not need the information to perform their duties; (2) review and approval of certain securities transactions and holdings by supervised persons with access to client information; and (3) report of any internal violations of the Code. Round's supervised persons may buy or sell securities

for their personal accounts that are identical to or different than those recommended to clients. Round doesn't allow any supervised person to buy or sell any security prior to a transaction implemented for an advisory account. This is to prevent employees from benefiting from transactions made on behalf of advisory accounts. Round will provide a copy of its Code to clients and prospective clients upon request.

### **Review of Accounts**

Round's Chief Investment Officer monitors portfolios on a continuous and ongoing basis. Clients will be provided account statements at least quarterly directly from Apex, the custodian of their assets. Round also provides all clients with continuous access via the mobile-based application for account status and balances. Clients may also receive periodic e-mail communications describing portfolio information and product features. Clients target allocations to each strategy may deviate over time, due to strategy performance. Clients will be notified quarterly via email, or in the application, to review and update their accounts and their current strategy allocations.

### **Client Referrals and Compensation**

Round may offer compensation or fee reductions to existing clients for referring new clients. New clients are notified of the compensation or fee reduction before opening the account. Referring clients must abide by the terms and conditions established by Round in accordance with applicable rules and regulations. Referrals can only be made within Round's mobile application. Clients are not charged any fee or other costs for being referred to Round by an existing client.

Round or an affiliate may also compensate advertisers for directing new users to Round, based on the number of impressions (i.e., the number of displays of an advertisement to a user while visiting a website).

Round or its affiliates may receive compensation from retailers related to certain promotions, whereby Round clients are referred to the retailers for the purchase of non-investment products or services.

The amount of compensation offered by Round for referrals may be more than what another programs or paid separately investment advice, portfolio management, and brokerage services may offer. Therefore, the referring party may have more financial incentive to recommend the Program over other programs or services.

### **Financial Information**

Round does not require or solicit the prepayment of any advisory fees, and does not have any adverse financial condition that is reasonably likely to impair our ability to continuously meet our contractual commitments to our clients. Round has never been the subject of a bankruptcy proceeding.