

# ADV Part 2A: Firm Brochure

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**Reboot Advisors, LLC**

**c/o Primary**

**251 West 30<sup>th</sup> Street, 2<sup>nd</sup> Floor**

**New York, NY 10001**

**Phone: 347-850-7403**

**[www.rebootinvesting.com](http://www.rebootinvesting.com)**

This ADV Part 2A (“Firm Brochure” or “Brochure”) provides information about the qualification and business practices of Reboot Advisors, LLC (“Reboot” or the “Firm”). If you have any questions about the contents of this Brochure, please contact us at 347-850-7403 or by email at [ashwin@rebootinvesting.com](mailto:ashwin@rebootinvesting.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.

Reboot Advisors, LLC is also a Commodity Trading Advisor (“CTA”) registered with the Commodity Futures Trading Commission (“CFTC”) under the Commodity Exchange Act (“CEA”) and a Member of the National Futures Association (“NFA”).

This Brochure has not been, filed with the CFTC. The CFTC does not pass upon the merits of participating in a trading program or upon the adequacy or accuracy of the Commodity Trading Advisor’s disclosures. Consequently, the CFTC has not reviewed or approved this trading program or account document.

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

August 7, 2018

# Material Changes

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There are no material changes since the last filing on March 15, 2018.

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# Advisory Business

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## Firm Description

Formed in 2017, Reboot Advisors, LLC is an adviser providing online, automated investment management services made available through Interactive Brokers.

## Principal Owners

Reboot Advisors, LLC is a wholly owned subsidiary of Reboot Investing, Inc. The principal owner of Reboot Investing, Inc. is Ashwin Kapur.

## Types of Advisory Services

Reboot offers a unique automated investment management service through an interactive website. Based on each client's profile, assessed through a series of online questions, an investment strategy is designed, using algorithms, to meet that client's specific investment objectives and risk tolerances. The online questionnaire serves as the sole basis for the advice provided by Reboot.

Clients may impose restrictions on their portfolio through the online client questionnaire. Additionally, the system may suggest certain restrictions, based on information supplied by clients on the online questionnaire, which clients can accept or reject. This type of service offering involves limited, if any, human interaction. All communications will be completed through the website or other electronic means.

The Firm will invest client assets in diversified portfolios of securities and options on securities. Reboot will also invest in more sophisticated derivative strategies, currencies, futures contracts, and/or commodities when appropriate for the client.

## Client Assets

As of December 31, 2017, Reboot has \$0 in discretionary assets under management. Reboot will not manage assets on a non-discretionary basis.

# Fees and Compensation

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## Description

Reboot is compensated for its services by charging and receiving a management fee based on the client's total assets under management. The Firm's fee is a percentage of client assets, which is calculated daily based on daily end-of-day market value, billed monthly in arrears, and deducted directly from the client's account by the independent custodian, Interactive Brokers. In addition, Interactive Brokers sends clients account statements at least quarterly detailing the deduction of the management fee. The Firm's management fee ranges from 0.75% to 1.50% per annum. The rate will be clearly stated to the client in his/her investment management agreement. The Firm may reduce or waive its fee at its sole discretion.

## Other Fees

Clients should recognize that all fees paid to Reboot for investment advisory services are separate from the fees and expenses charged by ETFs and mutual funds. These fees and expenses are described in each fund's prospectus. These fees will generally include a management fee, other fund expenses, and a possible distribution fee.

Clients pay costs such as brokerage commissions, transfer taxes, trade away fees, and other fees charged by the broker for executing security trades, which are separate from the fees charged by the Firm. Please see the section entitled "Brokerage Practices" for more information on how Reboot selects its broker-dealers.

In addition, the custodian may charge annual fees based upon the market value of the portfolio as well as various transaction costs, wire fees, etc.

## Termination of Services

A client, or Reboot, may terminate the Investment Management Agreement at any-time, for any reason or no reason, by written notification either through the client portal on the website or by email. Fees will be pro-rated to the date of termination.

# Performance-Based Fees & Side-by-Side Management

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Reboot currently does not receive performance-based fees.

# Types of Clients

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## Description

As of the date of this Brochure, Reboot does not have any clients. The Firm accepts all client types.

## Account Minimums

The minimum for investing with Reboot is \$100,000, which may be spread across multiple accounts. Reboot reserves the right to reduce the minimum initial capital contribution. If a client account drops below the minimum account balance threshold, Reboot may, at its discretion, terminate the client relationship. Reboot may reduce or waive the account minimum at its sole discretion.

# Methods of Analysis, Investment Strategies, and Risk of Loss

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## Methods of Analysis

Reboot uses an objective, quantitative approach to minimize the effects of human behavioral biases. The Firm tries to avoid complexity and keeps things as simple as possible. To do this effectively, Reboot begins by collecting data about a client's objective and subjective risk tolerance, motives for investing, liquidity needs, and time horizon, as well as additional data. This is done through an automated online questionnaire, which all clients are required to complete. Once the client completes the online questionnaire, Reboot's algorithms analyze this data and create an investment plan unique to each client. Because each client's account is managed separately, it is possible that two clients with comparable risk tolerances would hold completely different portfolios. In the risk section below, Reboot explains this in more detail.

## Investment Strategies

The Firm's investment objective is to achieve superior risk-adjusted returns.

In general, Reboot looks for situations where there is a reasonable expectation of a positive passive return. For example, Reboot expects investing in equities will have a positive return over the long term because an investment in an equity represents an investment in a corporation that seeks to make a profit. However, such situations are not limited to a long position in equities or a long position in bonds. Reboot then constructs portfolios to take advantage of these situations, while ensuring the strategies have a risk and expected return profile that is consistent with client objectives and not likely to trigger typical human behavioral biases.

Reboot will not, in general, be "fully invested" for the long run. Reboot may increase exposure by using leverage and may hold substantial amounts of cash or reduce exposure by other means to achieve these goals.

For taxable accounts, Reboot attempts to achieve its goals in a tax-efficient manner, including using tax-loss harvesting when appropriate. In addition, for those accounts that meet the requirements to be traded on margin, Reboot may reduce exposure by shorting futures contracts or ETFs that are highly correlated with the overall portfolio rather than liquidating and holding cash. For example, if a client owns a lot of appreciated large cap US equities and Reboot wants to reduce exposure to large cap US equities, it may sell short S&P 500 index futures since doing so would reduce exposure to large cap US equities without triggering a taxable capital gain. This enables clients to follow Reboot's risk-management strategy in a more tax-efficient manner. However, this also creates certain risks which are described below.

Reboot tries to avoid investing in ETFs or mutual funds, except for smaller accounts where there is no other practicable method of achieving proper diversification, or in situations where investing in an ETF or mutual fund provides the most effective method of achieving a certain

exposure. Reboot believes that passive indices have problems, including but not limited to, a) not being well diversified since the largest individual assets and sectors have a very large weighting, b) indices understate the returns available in the market due to market distortions created by the predictable rebalancing activity of the large amount of money indexed to them, and c) the volatility of indices varies widely across time which means a fixed number of dollars invested in a fund can mean a highly variable amount of risk at different times.

While Reboot's approach is mostly passive, there are situations where its research indicates that there is some limited predictability in the markets due to various reasons. Therefore, Reboot will bias its portfolios to try to capture the extra returns available due to this small amount of predictability.

## Risk of Loss

Although Reboot makes every effort to preserve each client's capital and achieve real growth of wealth, investing in markets involves risk of loss that each client should be prepared to bear. All investment programs have certain risks that are borne by the investor. While Reboot's investment approach constantly keeps the risk of loss in mind, there are no guarantees in the markets.

Notwithstanding the method of analysis or investment strategy employed by the Firm, the assets within a client's portfolio are subject to risk of devaluation or loss. Reboot wants clients to be aware that there are many different events that can affect the value of assets or a portfolio, including but not limited to, changes in financial status of companies, market fluctuations, changes in exchange rates, trading suspensions and delays, technological changes, economic reports, and natural disasters.

The Firm's clients face the following investment risks:

- **Interest-rate Risk.** Fluctuations in interest rates may cause investment prices to fluctuate. For example, when interest rates rise, yields on existing bonds become less attractive, causing their market values to decline. Changes in interest rates may cause prices of stocks, futures, and derivatives to move adversely.
- **Market Risk.** The price of a security, bond, mutual fund, option, futures contract, currency, or other asset may drop in reaction to tangible and intangible events or conditions which affect the market as a whole or broad swaths of the market, such as a recession. This type of risk is caused by external factors independent of a security's particular underlying circumstances. For example, political, economic, and social conditions may trigger market events.
- **Sector Risk.** The price of a security, bond, mutual fund, option, future or currency, or other asset may drop in reaction to tangible and intangible events or conditions which affect groups of assets. This type of risk is caused by external factors that affect all securities of a certain type but not the market as a whole; for example, a change in taxation that affects all technology stocks, or a new innovation that reduces demand for oil and affects all stocks involved in oil production, as well as assets domiciled in or issued by oil producing nations and futures contracts related to oil.



- **Asset Specific Risk.** The price of a security, bond, mutual fund, option, future or currency, or other asset may drop in reaction to tangible and intangible events and conditions that affect only that asset or that asset and closely related assets only. For example, a fire at a factory could cause the price of the stock in the company that owns the factory to drop.
- **Business Risk.** These risks are associated with an industry or a particular company within an industry. For example, oil-drilling companies depend on finding oil and then refining it, a lengthy process, before they can generate a profit. They carry a higher risk than an electric company, which generates its income from a steady stream of customers who buy electricity, no matter what the economic environment is like.
- **Financial Risk.** Excessive borrowing to finance a business' operations increases the risk of profitability because the company must meet the terms of its obligations in good times and bad. During periods of financial stress, the inability to meet loan obligations may result in bankruptcy and/or a declining market value. This may affect a single stock or, in the case of a financial crisis, the stock market as a whole. This could also affect an entire country, in which case the price of the country's currency and securities issued by and domiciled in the country may be affected.
- **Inflation Risk.** When any type of inflation is present, a dollar will be worth more today than a dollar next year because purchasing power is eroding at the rate of inflation. Changes in inflation may trigger changes in interest rates, leading to more interest-rate risk, which may lead to changes in the prices of other assets as well.
- **Issuer Risk.** The value of a security may decline for many reasons which directly relate to the issuer, such as management performance, financial leverage, and reduced demand for the issuer's goods or services, as well as the historical and prospective earnings of the issuer and the value of its assets. This risk exists for companies and for political entities that may have issued debt and currency.
- **Concentration Risk.** This is the risk that a portfolio concentrates investments in a limited number of issuers, or in issuers within the same economic sector, industry, or geographic location, or in assets whose returns are highly correlated for other reasons. The value of such concentrated portfolios may be particularly susceptible to adverse economic, business, or political developments compared to more diversified portfolios.
- **Currency Risk.** Overseas investments are subject to fluctuations in the value of the dollar against the currency of the investment's originating country. This is also referred to as exchange rate risk. Reboot may invest in currency futures or assets denominated in or exposed to other currencies for its clients. Such investments are directly adversely affected by fluctuations in the currency exchange rate. Changes in interest rates may trigger fluctuations in the exchange rate, increasing currency risk, and fluctuations in the exchange rate may trigger changes in interest rates, increasing interest-rate risk. This risk may be greater when making investments in emerging or frontier markets.
- **Reinvestment Risk.** This is the risk that future proceeds from investments may have to be reinvested at a potentially lower explicit or implied rate of return (i.e. interest rate). This relates to all fixed-income assets, like bonds, where one may have to purchase a bond with a lower coupon and all income producing strategies, like covered call writing, where one may have to write calls while receiving a lower than expected premium.

- **Derivatives Risk.** An investment in derivatives may be illiquid, difficult to price, and subject to leverage, such that minor changes in circumstances generate disproportionate losses to a portfolio. Because of the complexity of derivatives, such investments may not perform as anticipated, and returns/losses may be difficult to monitor.

- **Investment Company and Exchange-Traded Fund (“ETF”) Risks.** Investments in an investment company or ETF involve substantially all the risks to investments in the underlying securities of the company or ETF but are also exposed to problems with the issuer itself, including but not limited to, the failure by the issuer to follow its stated investment strategy. Investment companies and ETFs may not achieve the intended investment objective or may otherwise not execute the investment strategy effectively, which may adversely affect the value of a portfolio. ETFs include the added risk that they may no longer satisfy the listing standards of the exchange on which they are traded, which would add substantial liquidity risk (detailed below).

- **Liquidity Risk.** Liquidity is the ability to convert an investment into cash quickly and cheaply. Generally, assets are more liquid if a large amount of the asset trades regularly on a public exchange or other electronic trading venue. On-the-run treasury bills and bonds are extremely liquid. Large cap stocks listed on the NYSE are also very liquid, though less so than on-the-run treasury bills. Small cap stocks may be illiquid. Real estate is illiquid.

- **Volatility Risk.** The futures markets are speculative, prices are volatile, and market movements are difficult to predict. Supply and demand for futures contracts can change rapidly and are affected by a variety of factors, including interest rates, merger activities, and general trends in the overall economy or particular industrial, agricultural, or other economic sectors. Government actions, especially those of the US Federal Reserve Board and other central banks can have a profound effect on global interest rates, which affect the price of futures contracts. In addition, a variety of other factors that are inherently difficult to predict such as domestic and international political developments, governmental trade and fiscal policies, patterns of trade, war and other military conflict can also have significant effects on markets. Reboot may have only limited ability to vary its investment strategy in response to changing conditions. No assurance can be given as to when or whether adverse events might occur that could cause significant and immediate loss in values to a client account.

- **Counterparty Risk:** This is the risk that a counterparty (credit provider, i.e. trading institution or exchange) will be unable to continue to provide credit or execute trades. In this event, a client could become unable to establish or exit positions resulting in the potential for substantial losses. Additionally, counterparties may fail or suspend trading for various reasons.

- **Terms of Service Risk.** The Firm’s terms of service limit the circumstances under which Reboot or its shareholders, managers, and affiliates can be held liable, generally. As a result, investors may have a more limited right of action in certain cases than they would otherwise have in the absence of such provisions.

- **Key Person Risk.** Registered Investment Advisers are generally reliant on certain key investment personnel employed in managing assets. Termination, disability, death, or departure of key personnel could adversely affect performance.

- **Substantial Account Withdrawals.** The Firm’s clients may make large withdrawals from their accounts, which may cause Reboot to, in effect, sell a large portfolio of assets whose returns are highly correlated to the portfolios held by Reboot’s clients. These transactions may

adversely affect the performance of client accounts and increase transaction costs for clients who wish to liquidate at the same time.

- **Foreign (Non-U.S.) Risk.** A portfolio's investments in securities of non-U.S. issuers may involve more risk than those of U.S. issuers. The prices of these securities may fluctuate more widely and may be less liquid due to adverse market, economic, political, and regulatory or other factors.

- **Tax Risk.** Tax laws and regulations applicable to an account are subject to change, and unanticipated tax liabilities could be incurred by investors as a result of such changes. Investors should consult their own tax advisers and counsel to determine the potential tax-related consequences of investing.

- **Randomization Risk.** Reboot randomizes its strategies, to a certain extent, to make the order flow, generated on behalf of each client and by the Firm as a whole, unpredictable. While this improves execution quality by making it hard for other market participants, including high-frequency traders, to take advantage of Reboot's order flow, it also means that two virtually identical investors with the same risk-tolerance will have different ex-post realized returns. The portfolio held for you will almost certainly be different from and may perform much better than or much worse than the portfolio held for another investor at Reboot who is essentially identical to you in every other respect.

- **Cybersecurity Risk.** Reboot, like many companies, may be susceptible to operational and information security risks. Cyber security threats include but are not limited to stealing or corrupting data maintained online or digitally at the adviser's offices, denial of service attacks on websites, the unauthorized release of confidential information or various other forms of cyber-attacks. Cyber security failures or breaches of Reboot, its service providers, or the issuers of securities in which Reboot invests, have the ability to cause disruptions and impact business operations, potentially resulting in financial losses, the inability of Reboot's clients to transact business, violations of applicable privacy and other laws, regulatory fines, penalties, reputational damage, reimbursement or other compensation costs, and/or additional compliance costs. Reboot and its clients could be negatively impacted as a result.

- **Database and Strategy Error Risk.** The Firm's strategies rely on proprietary databases, third-party data sources, computer programs written by Reboot, computer programs written by third parties, and code libraries written by third parties. Any errors in the underlying data, data entry, or database may result in a portfolio acquiring or selling investments based on incorrect information. Data entry made by Reboot's team may contain errors and the database system used to store such data may have errors. The quantitative analysis and models used by the Firm may have errors, and the code used to execute the strategy may have errors. The assumptions underlying the strategies may be incorrect. The analysis the strategy is based on may be flawed. The code used to implement the strategies may have defects. While every effort is made to ensure that such problems do not occur, please note that completely defect free computer code likely does not exist anywhere. Multiple published studies have found that even the code used to run pacemakers, the code used for avionics in passenger jets and other life support safety critical code contains defects. Similarly, the hardware Reboot's systems run on may be defective. When strategies, code, data and/or hardware prove to be incorrect, misleading, flawed, incomplete, or defective in some other way, any decisions made in reliance thereon exposes Reboot's clients to potential risks. For example, by relying on Reboot's strategies, code, and data, the Firm may be induced to buy certain investments at prices that are too high, to sell certain other investments at prices that are too low, or to miss favorable

opportunities altogether. Similarly, any hedging based on faulty strategies and data may prove to be unsuccessful. As a result, the portfolio could incur losses on such investments before the errors are identified and corrected. Reboot does not reimburse clients for strategy and database errors.

- **Model Risk.** While Reboot believes its strategies are based on robust features in the market, Reboot may well be relying on what are in fact ephemeral random artifacts of the data it has analyzed. Further, even when a quantitative investment strategy is based on high quality analysis of historical data, the performance expected will only be realized if the salient features of the market that the model attempts to capture continue. If the market ceases to behave as it has in the past, the strategy may not perform as expected. Note that an extended period of good performance is no guarantee against such risk. A quantitative investment strategy that has performed well for a brief or extended period may perform badly for an extended period and may stop working entirely and start performing badly from then unto eternity.

- **Accuracy of Public Information Risk.** Reboot selects investments, in part, based on information and data filed with various government regulators or made publicly available via other means. Although Reboot evaluates this information and data, it is not able to confirm the completeness, genuineness, or accuracy of such information and data, and in some cases, complete and accurate information may not be available.

- **Drawdown Risk.** Reboot deploys risk management strategies that seek to control volatility and reduce drawdowns. There is no guarantee that these risk management strategies will succeed in limiting drawdowns or controlling volatility. They may be successful in one or both goals but the operation of Reboot's risk-management strategies may cause the Firm's overall strategy to perform much worse than expected. Further, when reduced exposure is indicated, Reboot may take positions in assets that are expected to be negatively correlated to the portfolio rather than selling assets to reduce exposure; while at the same time remaining fully invested in the underlying investment strategies. The purpose of this practice is to enable clients to follow a risk management strategy without generating taxable realized gains. However, the use of this strategy exposes clients to additional risks associated with options and short selling, which are described more fully below.

- **Risks from Purchasing Options:** If a call or put option purchased by Reboot for a client account is not sold when it has remaining value, and if the market price of the underlying asset, 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, an investor will lose the entire investment in the option. There is no assurance that a liquid or "fair" market will exist when Reboot seeks to close out an option position. Where a position in a purchased option hedges a related position, the price of the option may move more or less than the price of the related position, thereby not guaranteeing the efficacy of the hedge.

- **Risks from Selling Options.** Selling or writing option contracts often results in a "short" position (see Short Selling Risk below). A short position can result in losses that substantially exceed an investor's initial investment. There is no assurance that a liquid or "fair" market will exist when Reboot seeks to close out a short option position. This lack of marketability may result in further losses. In cases when Reboot sells an option to hedge against price movements in a related underlying position, such as in connection with Reboot's risk management strategy described above, the price of the option may move more or less than the price of the related position and may not fully hedge the position.

- **Short Selling Risk.** When an investor sells short, the investor's potential losses could be infinite. A short sale trade loses money when the price of the underlying asset rises. Theoretically, an asset's price could rise by an unlimited amount. When the underlying securities prices go up, a short seller's losses become worse, and as sellers rush to buy the stock to cover their positions, the losses increase exponentially. This phenomenon is known as a short squeeze. Timing is an additional complication. Even though an asset may be overvalued, it could take time for the price to decline. In the meantime, the short investor is vulnerable to interest charges, margin calls, dividend payments, and other adverse effects.

- **Leverage and Margin Risk.** When an investor uses leverage, the investor is borrowing money from the broker to invest in the market. Futures positions can be established with margin that typically represents a relatively small percentage of the total face value of the futures contract. Thus, a small movement in the price of the underlying asset can result in substantial price movement relative to the margin deposit and may result in immediate and substantial losses to an investor's account. If losses in the investor's account exceed the amount of the investor's equity in the account (i.e., the market value of the account is less than the amount borrowed from the broker) the investor could lose more than the amount invested and be required to repay the broker for the amount lost that is in excess of the amount invested by the investor. The investor's risk is not limited to the amount invested by the investor. The broker will generally have requirements that the investor maintain a certain minimum amount of equity for each dollar borrowed in margin loans. If the equity falls below the minimum equity the broker may, at its discretion, demand that the investor makes an immediate deposit into the account or liquidate positions in the account to bring the amount borrowed down without notice to the investor. If this happens during a temporary market dislocation, this may have the effect of locking in losses that would not have been realized if the investor had not used leverage.

While this information provides a synopsis of the events that may affect the client's investments, this listing is not exhaustive. Reboot wants its clients to understand that there are inherent risks associated with investing and depending on the risk occurrence, the client may suffer **LOSS OF ALL OR PART OF ITS PRINCIPAL INVESTMENT** and as detailed above in certain cases **LOSS OF MORE THAN ITS PRINCIPAL INVESTMENT**.

## Disciplinary Information

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Neither Reboot nor any of its employees have been involved in any regulatory investigations, sanctions, business litigation or legal proceedings at any time.

## Other Financial Industry Activities and Affiliations

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Reboot is not a registered broker-dealer or a futures commission merchant.

None of Reboot's management or supervised persons are registered with or have an application pending to register as a representative of a broker-dealer.

Reboot is a Commodity Trading Advisor ("CTA") registered with the CFTC under the CEA and a Member of the NFA.

Reboot does not have any other industry activities or affiliations.

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

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### Code of Ethics

Reboot has adopted a written Code of Ethics, pursuant to SEC Rule 204A-1, designed to address insider trading and potential conflicts of interest that may arise with regard to personal trading.

Reboot's Code of Ethics requires, among other things, the following:

- Policy prohibiting employees from insider trading;
- Prior approval of Access Persons before directly or indirectly acquiring any securities in an initial public offering, private placement, or a limited offering; and
- Compliance with applicable provisions of the federal securities laws.

Reboot's Code of Ethics also requires employees to:

- Report personal securities transactions on at least a quarterly basis; and
- Provide a detailed summary of certain holdings (both initially upon commencement of employment and annually thereafter) over which the employee has a direct or indirect beneficial interest.

A copy of Reboot's Code of Ethics shall be provided to any client or prospective client upon request.

### Invest in Same Securities Recommended to Clients

It is possible that, from time to time, Reboot may recommend to clients, or purchase for or sell from clients' portfolios, securities that are also held in the personal investment portfolios of Reboot officers, directors, and employees. All trading for client accounts is automated and based on algorithms. Further, there is a randomization built into the algorithms so orders sent for a client are not predictable. This mitigates most of the potential for abuse. Additionally, the Firm's Code of Ethics procedures require reporting of the Firm's officers, directors, employees (and their immediate family members) personal accounts which are monitored and reviewed on a regular basis.

# Brokerage Practices

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## Selecting Brokerage Firms

Interactive Brokers acts as the broker-dealer in effecting securities transactions for the client's managed by Reboot. The Firm believes Interactive Brokers provides it with high-quality executions, low fees, and a high level of financial stability. Reboot is not affiliated and does not receive any compensation in exchange for utilizing Interactive Brokers. Clients will not be able to select another broker-dealer. As a result, Reboot will not be able to negotiate commissions paid to Interactive Brokers, and clients may pay smaller fees to another broker-dealer for similar services.

## Research and Soft Dollars

Reboot does not engage in any "soft-dollar" practices. The Firm does not accept "soft-dollars."

Interactive Brokers makes available to Reboot other products and services that benefit Reboot but may not necessarily benefit its clients' accounts. Some of these other products and services assist Reboot in managing and administering clients' accounts. These services are listed and described on Interactive Brokers website and may include a system used to manage client relationships and consulting. These free services may change from time to time without notice to Reboot. Reboot does not receive a monetary benefit for use of these services.

## Order Aggregation

The Firm's strategies are designed in a manner that makes the aggregation of orders rare. Each client is managed uniquely and independently of the other. Even when the account management algorithm wishes to trade in the same direction in the same asset for more than one account, it will usually send multiple orders to the market for different accounts in a manner that treats all client accounts fairly and does not ex-ante favor any account over any other, though the ex-post fill prices received by the orders sent for one account may be better than the fill prices received by another account.

In certain circumstances, particularly when the aggregated amount to trade is likely to have material market impact and aggregating orders would minimize total transactions costs, Reboot may aggregate orders. Every account that is to share fills from the aggregated order will receive a fill at the average price received by aggregated order. Allocations of fills from aggregated orders to client accounts are done in an automated rule-based manner by a computer program that uses rules which treat each client account equitably and fairly. Fills may not be allocated pro-rata to the amount the account management algorithm wished to trade for each account if the urgency of the trade was different for different accounts.

# Review of Accounts

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## Periodic Reviews

Reboot's software-based financial advisor service, which is overseen by the Chief Investment Officer, continuously monitors and adjusts client accounts based on current market conditions

and the client's stated investment objectives. Reboot is continuously conducting research and improving the technology and algorithms used to manage client accounts. Reboot may place trades in client accounts at any time based on changes in market conditions, changes requested by clients, or changes in Reboot's algorithms. In general, Reboot expects to adjust client accounts more frequently during periods of high volatility.

In addition to the continuous account monitoring and adjusting, on at least an annual basis, Reboot will notify clients electronically of their current risk level, asset allocation, and investment objectives and ask them to inform the Firm of any changes to the same so Reboot can assess whether the portfolio needs to be adjusted. Clients may also contact Reboot via the website at any time should their financial and or investment objective information change.

### Regular Reports

All clients will have access via the Reboot website, for reporting on performance, assets held in the account, risk, values, balances, and fees. The reports on Reboot's website are standardized, easy-to-use reports and are not updated in real-time.

Clients will also receive statements from their broker-dealer. At minimum, each client will receive a monthly report that will include a list of account holdings, account trades, market value, broker commissions and other transactions costs, and advisory fees for the previous month.

Interactive Brokers provides clients with access to their website via which clients can receive reports on performance, assets held in the account, risk, account values, balances, fees (including advisory fees etc.) in real time. They can also create customized reports, slicing and dicing the above information across time and other criteria as appropriate. Further, clients can download files containing the data underlying the reports which they can import into spreadsheets and other analysis programs for their own custom analysis and report generation, if they so choose.

## Client Referrals and Other Compensation

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Reboot and its related persons do not directly or indirectly compensate any person who is not a supervised person for client referrals.

Reboot may periodically run promotional campaigns to attract clients to invest their assets with Reboot. These promotions may include reduced or waived advisory fees for existing clients or third parties that referred the party.

These arrangements may create an incentive for a third-party or other existing client to refer prospective clients to Reboot, even if they would otherwise not make the referral.



# Custody

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## Account Statements

Reboot does not have direct custody of any client assets. However, the Firm is deemed to have indirect custody due to Reboot's capacity to have the management fee directly withdrawn from client portfolio accounts. The custodian calculates the fees owed, based on a fee schedule that Reboot provides and may update from time-to-time, and transfers fees from client accounts to Reboot's accounts monthly. The custodian does not verify the accuracy of the fee schedule or the fee calculations. Reboot encourages clients to verify the accuracy of the fee schedule and the calculations themselves.

Although Reboot is the advisor to its clients, client statements will be sent directly via broker-dealer. When clients receive these statements, they should review them carefully. Please compare asset values, holdings, and fees on the statement to those on Reboot's reports, and notify Reboot of any discrepancy.

# Investment Discretion

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The executed advisory contract gives Reboot full discretion to select securities, commodities, futures, and derivatives for the client's account, including amount, timing of transactions, the brokers and execution venues that Reboot uses, and the commission rates paid.

# Voting Client Securities

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Reboot may make elections with respect to corporate actions. For example, in case of a tender offer Reboot may elect to tender or not tender the security being tendered for. In some circumstances, making an election may have the effect of voting a proxy. For example, tendering a security owned may have the effect of voting for a transaction that is put forward for approval by the shareholders. In other cases, Reboot may vote a proxy, commit you to vote a proxy in a certain manner, or give up other rights on your behalf in order to make an election. For example, the buyer of a company may structure a tender offer such that only stockholders who have voted for the transaction and/or agreed not to exercise dissenter's rights can elect to receive cash rather than stock in the purchasing entity and Reboot may elect as such on your behalf.

Other than these limited circumstances, Reboot, as a matter of policy, does not vote any proxy with respect to any asset held in client portfolios. Clients may vote proxies in any manner they choose via the mechanisms provided by their broker-dealer. Clients of Interactive Brokers may vote proxies via the Interactive Brokers website.

## Financial Information

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Reboot has not been subject to bankruptcy and is also not subject to any financial condition that is reasonably likely to impair Reboot's ability to meet contractual commitments to clients.