



# Investment Cards RIA L.L.C.

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**Disclosure Brochure**

**Form ADV Part 2A**

**March 29, 2019**

This Brochure provides information about the qualifications and business practices of Investment Cards RIA L.L.C. (“Adviser”). If you have any questions about the contents of this Brochure, please contact our Chief Compliance Officer at (312) 736-7700 or [compliance@investorcashmanagement.com](mailto:compliance@investorcashmanagement.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 Adviser is available on the SEC's website, [www.adviserinfo.sec.gov](http://www.adviserinfo.sec.gov). The searchable IARD/CRD number for Adviser is 289308. Adviser is a registered investment adviser. Registration with the United States Securities and Exchange Commission or any state securities authority does not imply a certain level of skill or training.

## Item 2: Material Changes

This Item 2 discloses material changes that have been made to this Brochure since the firm's last annual update on July 26, 2018.

Since the filing of the annual update on July 26, 2018, ICRIA Brochure has been revised as follows:

In connection with the planned second quarter 2019 introduction of the enhanced ICM Program described in Item 4, which features ICRIA's interactive website, ICRIA has updated every Item of this Brochure. Clients should take care to review the entire Brochure carefully and review the information available through the Portal for further information.

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## Item 4: Advisory Business

### A. Our Company & Principal Owner

Investment Cards RIA L.L.C. (hereinafter “ICRIA”) is a Delaware limited liability company organized in 2017. Frederick Paul Phillips owns more than 75% of the membership interests and is the managing member.

### B. Advisory Services

#### 1. Overview

ICRIA is an automated investment adviser registered with the Securities and Exchange Commission pursuant to its exemption for “internet investment advisers.” We advise our clients exclusively with respect to investments available through the Investor Cash Management Program (the “ICM Program”) accessible through the ICM Program’s interactive website (the “Portal”), [www.investorcashmanagement.com](http://www.investorcashmanagement.com).

Clients interested in the ICM Program and our services will visit the Portal and complete a “Profile” of key information about their personal finances, investment objective, and risk tolerance. The computer-based technology and algorithms ICRIA oversees for the Portal (collectively, the “Technology”) analyze the client’s Profile data and provide an initial portfolio recommendation, and if available, an alternative recommendation. The client is free to accept or decline the recommendation, as they wish.

If a client chooses to invest, they must register with the ICM Program. The client will establish accounts with a depository bank (the “Bank”) and broker-dealer (the “Custodian”) specified on the Portal at the time of registration, sign a discretionary Program Agreement with ICRIA, and sign related ICM Program agreements. Deposits are made initially through the Bank into an account established in the client’s name. The Bank requires a minimum balance of \$125 to be maintained in the client’s account with it, but amounts over that will be swept automatically, when available according to the Bank’s schedule, to the client’s account at the Custodian.

Clients do not incur fees or expenses from ICRIA, the Bank, or the Custodian when depositing assets with the Bank, for transfers from the Bank to the Custodian, or for transfers from the Custodian to the Bank to cover purchases with the Debit Card. There is a one-time fee to obtain the Bank’s Debit Card that is tied to the client’s Bank account, as well as typical fees for ATM and teller withdrawals using the Debit Card, fees for lost or stolen Debit Card replacements, and fees for expedited deliveries, for example. The current Debit Card fee schedule is provided by the Bank as part of the Debit Card’s Terms and Conditions when the client registers.

#### 2. No Personal Assistance Regarding Investments; Technical Support is Available

The SEC’s exemption for internet advisers prohibits ICRIA from providing in-person advice to clients, except for technical support for assistance on using the Portal. We provide extensive instructions on the Portal and links to a wealth of self-help information to answer most questions. We regret that we cannot respond to investment-related questions.

#### 3. Client Investments

Currently, ICRIA recommends only mutual funds and ETFs (“ETFs”) in its client portfolio recommendations; however, ICRIA reserves the right to modify the current program, or negotiate arrangements with associations, sponsors, or other organizations to include other types of securities in the recommendations produced by the Portal in response to the Profile data of the members or clients of that group.

In general, the ICM Program is designed to help our clients to manage their cash more efficiently than leaving all of it money in a no/low interest bank checking and savings accounts. For the part of their cash clients can bear additional risk (and volatility) compared to an insured bank account, the ICM Program offers the possibility of significantly improved returns over the bank, while providing the flexibility to use the cash to make purchases

or move between accounts. Of course, as with any investment, the opportunity to improve returns carries greater risks, including potential loss of principal, and the fact the investments are not insured like a bank account.

ICRIA works to manage investment risks by recommending for the Program government money market funds (“GMMFs”) and ultrashort bond funds (“USBs”), or ETFs with investment objectives and risk profiles we believe are consistent with the objectives of the Program and are suitable for our clients.

What is a GMMF? A government money market funds is an open-ended mutual fund that seeks to generate current income consistent with stability of principal by investing in a portfolio of U.S. Treasury and government securities maturing in 397 days or less and repurchase agreements collateralized fully by U.S. Treasury and government securities. You could lose money by investing in a GMMF. Although a GMMF seeks to preserve the value of a client’s investment, it cannot guarantee it will do so. An investment in a GMMF is not insured or guaranteed by the Federal Deposit Insurance Corporation or any other government agency.

What is a USB? An ultrashort bond fund is an open-ended mutual fund that seeks total return consistent with current income by investing primarily in a diversified portfolio of investment-grade debt securities. A client could lose money by investing in a USB. Although a USB seeks to increase the value of a client’s investment, it cannot guarantee it will do so. An investment in a USB is not insured or guaranteed by the Federal Deposit Insurance Corporation or any other government agency.

Generally, GMMFs have less volatility and lower returns compared to USBs, and USBs have more volatility and higher returns compared to GMMFs. The decision of how to allocate your funds depends upon various factors such as the client’s tolerance for risk, the client’s capacity to withstand potential loss, and the target returns a client seeks.

The Technology considers these factors when recommending the initial portfolio. However, the client is always free to instruct the Technology to choose all GMMFs, or for all but the most risk-averse clients, to choose all USBs. Once the client has accepted the initial (or revised) recommendation, and the accounts are opened and funded, the investments will be made in the client’s account with the Custodian.

From time to time, as additional cash is deposited into the Bank account, it will be swept into the Custodian’s account, and additional investments will be made consistent with the Technology recommendation (subject to any client modification). If the client uses the Debit Card and there are not sufficient funds in the Bank account to cover the purchase, an investment will be sold in the Custodian’s account to provide funds to cover the deficit.

Although the purchase and sale of investments will often be a taxable event, there will not be any transaction charges for purchases and sales of investments in the Custodian’s account. The Custodian has waived transaction charges on the purchase and sale of investments. Additionally, ICRIA only recommends mutual funds that have agreed to waive fees for early or frequent redemptions.

ICRIA’s Program Agreement provides it the discretion to add to, remove, or substitute any of the mutual fund or ETF investments available from time to time, without notice, as it deems appropriate. Clients should review their statements from the Custodian to identify changes in their investments.

## C. Tailored Services & Client Restrictions

The Technology considers the individual needs of the client in making its recommendations, to the extent of the information gathered by the Profile.

### 1. Changes in Client Circumstances

Clients are advised that changes in the Profile information, including, financial situation, investment objectives, or tolerance for risk, may cause an investment to become no longer suitable. In the event of any material change in a client’s personal or financial circumstances, client should update his Profile.

## 2. Management of Account until the Profile Information is Changed

Unless and until the client changes the Profile information on the Portal, the Technology will continue to manage the investments in the Custodian's account according to the Profile information on file.

### D. Assets under Management

As of December 31, 2018, ICRIA did not have any assets under management.

## Item 5: Fees & Compensation

Clients do not pay any advisory fees to ICRIA; and as discussed above, the Custodian does not charge any transaction charges for the purchases or sales of investments. Of course, there are some costs the client will incur, such as the cost for the initial (and any replacement) Debit Card, and the ATM and other Debit Card usage-related fees, which are outlined on the Debit Card Terms and Conditions at the time the client registers.

The Custodian does not charge commissions for purchases and sales, however, it does charge for extra or special services. Clients should review the Custodian's fee schedule included as part of its account documentation at the time of Registration.

Clients will receive all revisions to the Bank's and Custodian's fee schedules directly from the Bank and Custodian, respectively. Clients who wish an updated fee schedule can request an updated copy from either the Bank or Custodian through the Portal.

Clients should be aware that mutual funds and ETFs have internal expenses to pay the costs of portfolio management, custodial, legal and accounting, transfer agent, and other administrative expenses. ICRIA selects investments for the Program that emphasize low internal expenses; nonetheless, these costs are indirect costs that are charged to and borne by the fund's shareholders for as long as the investment is owned.

The Program Agreement provides that ICRIA may, in its sole discretion, amend the Program Agreement upon 30 days' notice to the clients, including to impose new fees, or increase any existing fees payable pursuant to the Program Agreement. If any new fees are imposed, unless otherwise provided in such notice, they shall be paid monthly in arrears, and deducted automatically from the client's account with the Custodian. Investments may be sold, if necessary, to raise cash to pay any such expenses. In the unlikely event ICRIA possesses pre-paid advisory fees at the time the Program Agreement terminates, ICRIA shall refund the unearned portion thereof.

## Item 6: Performance-Based Fees & Side-by-Side Management

We are required to disclose information about "performance-based" fee arrangements (fees based on a share of capital gains on or capital appreciation of the assets of a client) and any situations where we manage both accounts with performance-based fee arrangements and accounts without such arrangements.

We do not have any performance-based fee arrangements with our clients.

## Item 7: Types of Clients

ICRIA provides advisory services to the following types of clients:

- Individuals
- High-Net-Worth Individuals

Although ICRIA does not currently have minimums for opening or maintaining accounts, it reserves the right to impose minimums, according to the terms of the Program Agreement. The Bank requires clients to maintain a \$125 balance in their account at all times.

## Item 8. Methods of Analysis, Investment Strategies & Risk of Loss

### A. Methods of Analysis

ICRIA emphasizes the analysis of mutual funds, ETFs, and the funds' respective managers in the selection of the investments from which the Technology will recommend investments for client portfolios. Sources of information ICRIA may use includes financial newspapers and magazines, research materials prepared by others, and online research and analysis.

#### *Fundamental Analysis*

Fundamental analysis involves analyzing information about an investment or its issuer, such as financial information, management, competitive advantages, competitors and markets. The fundamental analysis school of thought maintains that markets may misprice a security in the short run but that the "correct" price will eventually be reached. Profits can be made by trading the mispriced security and then waiting for the market to recognize its "mistake" and re-price the security. However, fundamental analysis does not attempt to anticipate market movements. This presents a potential risk, as the price of a security can move up or down along with the overall market regardless of the economic and financial factors considered in evaluating the stock. Therefore, unforeseen market conditions and company developments may result in significant price fluctuations that can lead to investor losses.

#### *Technical Analysis*

Technical analysis seeks to identify price patterns and trends in financial markets and attempt to exploit those patterns. Technical analysts follow and examine indicators such as price, volume, moving averages, and market sentiment.

#### *Mutual Fund and ETF Analysis*

An investment in a mutual fund or ETF involves risk, including the loss of principal. Mutual fund and ETF shareholders are necessarily subject to the risks stemming from the individual issuers of the fund's underlying portfolio securities. Shareholders are also liable for taxes on fund-level capital gains, as mutual funds and ETFs are required to distribute capital gains in the event they sell securities for a profit.

Shares of mutual funds are generally distributed and redeemed on an ongoing basis by the fund itself or a broker acting on its behalf. The trading price at which a share is transacted is equal to a fund's stated daily per share net asset value ("NAV"), plus any shareholders fees (e.g., sales loads, purchase fees, redemption fees), calculated at the end of each business day. The trading prices of a mutual fund's shares may differ significantly from the NAV during periods of market volatility, which may, among other factors, lead to the mutual fund's shares trading at a premium or discount to actual NAV.

Shares of ETFs are listed on securities exchanges and transacted at negotiated prices in the secondary market. Generally, ETF shares trade at or near their most recent NAV, which is generally calculated at least once daily for indexed-based ETFs and potentially more frequently for actively-managed ETFs. However, certain inefficiencies may cause the shares to trade at a premium or discount to their pro rata NAV. There is also no guarantee that an active secondary market for such shares will develop or continue to exist. Generally, an ETF only redeems shares when aggregated as creation units (usually 20,000 shares or more). Therefore, if a liquid secondary market ceases to exist for shares of a particular ETF, a shareholder may have no way to dispose of such shares.

ETFs may have tracking error risks. For example, the ETF investment adviser may not be able to cause the ETF's performance to match that of its Underlying Index or other benchmark, which may negatively affect the ETF's performance. In addition, for leveraged and inverse ETFs that seek to track the performance of their Underlying Indices or benchmarks on a daily basis, mathematical compounding may prevent the ETF from correlating with performance of its benchmark. In addition, an ETF may not have investment exposure to all of the securities included in its Underlying Index, or its weighting of investment exposure to such securities may vary from that of the Underlying Index. Some ETFs may invest in securities or financial instruments that are not included in the Underlying Index, but which are expected to yield similar performance.

## B. Investment Strategies

The Technology is based on a number of assumptions, and inputs regarding investments. We reserve the right to employ a number of investment strategies, including long-term purchases, short-term purchases (investments expected to be held for less than a year), and trading (investments held less than 30 days).

In general, however, clients should expect that our strategies will emphasize short and long-term investments. Portfolio composition and allocation at any given time will vary based on our assessment of current market conditions and the relative risk and reward of particular investments.

### *Risk of Errors in Investment Decisions*

There is no assurance that ICRIA's efforts to select appropriate investments from which the Technology makes recommendations to clients, or the Technology's recommendations for any particular client, will be successful. There is a risk that ICRIA's judgment about the attractiveness, relative value, or potential appreciation of a particular security, or about the timing of investment purchases or sales, may prove to be incorrect. There is also a risk that the Technology's recommendations for a client will be unsuitable. If these risks occur, clients should expect their accounts will likely experience losses or a lack of returns.

### *Reliance on Sources of Information*

Our method of analyzing investment opportunities assumes that the information we receive about funds and managers, the characteristics and ratings of the securities they issue, and other publicly-available sources of information we utilize is accurate and unbiased. While we are alert to indications that data may be incorrect or skewed, there is always a risk that our analysis may be compromised by inaccurate or misleading information.

## C. Risk of Loss Generally and Specific Risks Investors Face

All investing involves a risk of loss that investors should be prepared to bear. The descriptions below provide an overview of some of the key risks related to ICRIA's investment strategies; however, this is not intended to serve as an exhaustive or comprehensive description of all risks that may arise in connection with participation in ICRIA's programs.

**Market Risk**—the risk that the price of a particular investment will change as a result of overall market conditions that are not specific to that particular company or investment.

**Interest Rate Risk**—the risk that as interest rates go up, the value of fixed income securities held by an account (or by any mutual fund, money market fund owned by the account) will decline. Interest rate risk may be greater for securities with longer maturities.

**Market Volatility Risk**—the prices of securities may be volatile. Price movements of securities in which ICRIA invests are influenced by, among other things: interest rates; changing supply and demand relationships; trade, fiscal, monetary and exchange control programs and policies of governments; and U.S. and international political and economic events and policies. In addition, governments from time to time intervene, directly or by regulation, in certain markets, particularly those in currencies and interest rate related futures and options. Such



intervention often is intended directly to influence prices and may, together with other factors, cause all of such markets to move rapidly in the same direction because of, among other things, interest rate fluctuations.

**Past performance is not indicative of future results. Investing in securities involves a risk of loss that you, as a client, should be prepared to bear.**

## Item 9: Disciplinary Information

Item 9 requires disclosure of material facts regarding legal or disciplinary events that would be material to a Client's evaluation of ICRIA's business or the integrity of ICRIA's management.

ICRIA has no events to disclose under this Item 9.

## Item 10: Other Financial Industry Activities and Affiliations

Neither ICRIA nor its management person is registered or has an application pending to register in any capacity requiring disclosure in Item 10. Similarly, ICRIA does not have a "related person" of any of the types listed in Item 10.C.

## Item 11: Code of Ethics, Client Transactions & Personal Trading

### A. Code of Ethics

ICRIA has adopted a Code of Ethics expressing its commitment to ethical conduct. The Code of Ethics describes ICRIA's fiduciary responsibilities to its clients, and its procedures in supervising the personal securities transactions of its supervised persons who have access to information regarding client recommendations or transactions ("access persons").

A copy of the Code of Ethics is available to clients and prospective clients. You may request the Code of Ethics by email at [compliance@investorcashmanagement.com](mailto:compliance@investorcashmanagement.com) or by calling ICRIA at (312) 736-7700.

ICRIA owes a duty of loyalty, fairness, and good faith towards clients and an obligation to adhere not only to the specific provisions of the Code of Ethics but also to the general principles that guide the Code.

The Code of Ethics includes policies and procedures for the review of access persons' quarterly securities transactions reports as well as initial and annual securities holdings reports that must be submitted by access persons. Among other things, the Code of Ethics also requires the prior approval of any acquisition of securities in a limited offering (e.g., private placement) or an initial public offering. The Code also provides for oversight, enforcement, and recordkeeping provisions.

The Code of Ethics prohibits the misuse of material non-public information. While ICRIA does not believe that it has any particular access to material non-public information regarding publicly traded companies that would be subject to misuse, all supervised persons are reminded that any such information may not be used in a personal or professional capacity.

ICRIA and its officers, and supervised persons may act as investment advisor for others, may manage funds or capital for others, may have, make and maintain investments in its or their own names, or may serve as an officer, director, consultant, partner or stockholder of one or more investment partnerships or other businesses, subject to compliance with the Code of Ethics. In doing so, ICRIA or such persons may give advice, take action, and refrain from taking action, any of which may differ from advice given, action taken or not, or the timing of any action, for any particular client.

Neither ICRIA nor any supervised person has any obligation to purchase or sell, or to recommend for purchase or sale, to any client any security which ICRIA or any principal, officer, or supervised person purchases or sells for his own account or for the accounts of other clients, unless such conduct is a fiduciary obligation.

## B. Recommendations Involving Our Financial Interests

ICRIA is required to disclose in Item 11 if it recommends that clients invest in securities in which ICRIA or its supervised persons have a material financial interest.

ICRIA does not make such recommendations.

## C. Investments in Securities Recommended to Clients

Individuals associated with ICRIA may buy or sell securities for their personal accounts identical to or different from those recommended to clients. It is the policy of ICRIA that no person employed by it shall prefer his or her own interest to that of an advisory client or make personal investment decisions based on the investment decisions of clients. Subject to the Code of Ethics, ICRIA and its supervised persons are permitted to trade for their own accounts in the same securities, and at the same time as clients. We have adopted the procedures described in Item 11.D to address the actual and conflicts of interest raised by our policies.

## D. Investments Around Time of Client Transactions

Subject to the procedures in this section 11.D, ICRIA and its supervised persons are permitted to trade for their own accounts, either side-by-side or in block transactions together with ICRIA's clients, in the same securities at or around the same time as clients on the same trading day. ICRIA and its supervised persons may buy or sell securities for their personal accounts identical to the securities recommended to clients. We have adopted the procedures described below to address the conflicts of interest arising from our policies described in Items 11.C and 11.D:

- ICRIA prohibits supervised persons from purchasing or selling securities (other than mutual funds or other securities that are not treated as “reportable securities”) immediately prior to client transactions, in order to prevent supervised persons from benefiting from transactions placed on behalf of advisory accounts;
- no director, officer, or supervised person shall buy or sell securities for their personal portfolio(s) where the decision is substantially derived by reason of his or her employment, unless the information is also available to the investing public on reasonable inquiry; provided, this shall not prevent such persons from participating in block trades with clients where all receive the same net price or proceeds;
- no director, officer, or supervised person shall knowingly prefer his or her own interest to that of an advisory client;
- ICRIA maintains records of securities held by it and its access persons, and these holdings are reviewed on a regular basis;
- ICRIA emphasizes the unrestricted right of the client to decline to implement any advice received from the Technology;
- ICRIA requires all supervised persons to act in accordance with all applicable Federal and State laws and regulations governing registered investment advisory practices; and
- any individual not in observance with the above may be subject to discipline, including termination.

## Item 12. Brokerage Practices

### A. Custodians and Brokers

Client assets must be maintained in an account maintained with a qualified custodian. ICRIA requires clients use the broker-dealer that has been approved as custodian and broker-dealer for the Program at the time of the client's Registration, and any subsequent successor approved Program custodian and broker-dealer. Clients should be aware that not all advisers require their clients to use a specific broker-dealer. The Custodian will execute all transactions to purchase and sell investments for the client's account.

#### 1. Best Execution

As a fiduciary, ICRIA has an obligation to seek to obtain best execution of a client's transactions. ICRIA considers a wide range of factors, including, among others, the following:

- trade execution services and custodial services (generally without a separate fee for custody);
- capability to execute, clear and settle trades;
- capabilities for transfers and payments to and from accounts (wire transfers, check requests, etc.);
- breadth of available investment products (stocks, bonds, mutual funds, ETFs, etc.);
- availability of investment research and tools that assist ICRIA in making investment decisions;
- quality of services;
- competitiveness of prices for its services (commission rates, margin interest rates, other fees, etc.) and willingness to negotiate them;
- reputation, financial strength and stability of the provider; and
- availability of other products and services that benefit ICRIA and its clients, as discussed below.

#### *Services that May Not Directly Benefit Clients*

Custodian provides ICRIA with access to certain services that assist ICRIA in managing and administering client accounts. ICRIA may use these services for all or some substantial number of clients' accounts.

For example, ICRIA may receive assistance from the Custodian for connecting the Technology with the Custodian's systems and related systems support, and the ability to view client accounts, which allows ICRIA to better monitor Client accounts. These items are not based on securities transactions of ICRIA's clients (i.e. not "soft dollars") or any commitment by ICRIA for a minimum number of transactions. Any benefit to clients is indirect based on the general improvement in our program's operational efficiency.

#### 2. Client Commission Arrangements (Soft Dollars)

ICRIA generally does not engage in formal client commission arrangements where ICRIA commits to direct portfolio brokerage commissions to a broker-dealer in return for specified brokerage or research services that ICRIA may use in making investment decisions for its clients. However, ICRIA does receive the useful benefits and services described above received from the Custodian.

Section 28(e) of the Securities Exchange Act of 1934 provides that an investment advisor does not breach its fiduciary duties under state or federal law solely by causing its clients' accounts to pay brokerage commissions in excess of the amount another broker-dealer would have charged if the advisor determines in good faith that the commissions are reasonable in relation to the value of brokerage and research services received. It is ICRIA's policy to operate within the safe harbor of Section 28(e).

These services are not contingent on ICRIA committing any specific amount of business to Custodian in trading commissions or assets in custody. The availability of these useful services creates a financial incentive for ICRIA to recommend the Custodian for client accounts so ICRIA can continue to receive these services and

avoid paying for them separately at ICRIA's own expense. To the extent we desire to continue any of these services, our interests conflict with our clients' interests in obtaining the lowest possible execution costs. This is a conflict of interest. ICRIA believes, however, that its recommendation and selection of Custodian as custodian and broker is in the best interests of its clients. Our decision to select Custodian is primarily supported by the scope, quality and price of its services (based on the factors discussed above - see "How We Select Brokers/Custodians") and not the services that benefit only ICRIA.

Although we strive to address this conflict in a manner consistent with our fiduciary duty, and we disclose this conflict to our clients, our judgment may be affected such that our efforts may not be entirely successful. To help mitigate this conflict, we have adopted procedures to analyze periodically the services and programs provided by or available through our brokers, to evaluate the usefulness of these services in relation to the costs of the services, and to assess the overall quality of the services.

## B. Directed Brokerage

As discussed above, ICRIA requires clients to use the approved Program Custodian and broker. Not all advisers require their clients to use a specific custodian or broker. Although ICRIA, its management persons, and related persons benefit from clients participating in the Program, Clients benefit from the arrangement in which they pay no transaction charges or other fees in connection with Program accounts.

## C. Order Aggregation

ICRIA (or the Broker) is permitted, but not required, to aggregate orders for the purchase or sale of securities on behalf of the Program accounts. Proprietary accounts of our firm or its supervised persons may participate in aggregated orders on the same basis as clients. The ability to have orders aggregated into a single order with other clients can offer economic benefits, including the potential for volume discounts on their orders, timelier execution, a reduction of adverse market effects that can occur from separate, competing orders, mutual sharing of transaction costs, and the opportunity to negotiate price improvement.

Aggregated orders are typically placed through an "average price account" or similar account such that transactions for accounts participating in the order are averaged as to price, and the securities purchased or net proceeds received are allocated pro rata among the accounts in proportion to their respective orders placed that trading day.

Typically, partial fills will be allocated among accounts in proportion to the total orders participating in the order, unless we determine another method of allocation is equitable, subject to the ICRIA's limitations as an internet adviser.

## D. Trade Errors

It is ICRIA's policy for clients to be made whole following a trade error caused by ICRIA. ICRIA is not responsible for errors related to technical issues with the Technology. If a trade error caused by ICRIA results in a loss, ICRIA will make the client whole and absorb the loss. Upon discovery of an error prior to settlement, the security will be swept into ICRIA's error account. In that circumstance, the client shall be made whole, however, any gain upon sale of the security shall remain in the error account to offset future losses.

# Item 13: Review of Accounts

## A. Account Reviews

The head of ICRIA's Investment Committee monitors the securities approved for Program accounts and performs at least semi-annual reviews to evaluate the Technology's selection of investments that are suitable for clients based on the Profile information, and changes in Profile information.

## B. Client Reports

The Custodian of the account maintaining client investments will provide electronically through the Portal, at least quarterly, account statements identifying the amount of funds and of each security in the account at the end of the period and setting forth all transactions in the account during that period. ICRIA does not provide any reports to clients.

## Item 14: Client Referrals & Other Compensation

### A. Arrangements to Refer Clients to Third Parties

In addition to the arrangements described in Item 12, ICRIA reserves the right to enter into arrangements with financial institutions, product sponsors, and other businesses pursuant to which a third party provides us with economic benefits (including sales awards or other prizes) for the investment advice we provide to our clients. If we enter into any such arrangement, we will disclose the conflict of interest.

The managing member of ICRIA is the founder and CEO of Investor Cash Management Holdings Inc. (“ICMH”).

The ICM Program involves a number of businesses, including ICRIA, the Bank, and the Custodian, as previously discussed. There are other non-financial industry businesses involved in processing and reconciling card-related transactions. Management person and others associated with ICRIA own interests in these other businesses which are compensated for performing such processing activities. Clients should consider that although the compensation is paid by merchants, not directly by the client, the receipt of such compensation creates an incentive to recommend the Program based on such economic benefits, rather than the client’s investment needs.

ICRIA addresses this conflict by disclosing it in this Brochure, by educating our supervised persons regarding our fiduciary obligations, and by monitoring the Program to ensure it continues to provide valuable economic benefits to the clients.

### B. Arrangements with Third-Parties to Refer Clients to Us

ICRIA reserves the right to enter into arrangements with solicitors to refer it clients for the Program, and may pay fees for the referral. In such cases, ICRIA will disclose this practice in writing to the client and will comply with other applicable requirements under SEC Rule 206(4)-3. In particular, ICRIA will ensure that solicitors provide clients with a current copy of this Brochure and the solicitor’s written disclosure document.

## Item 15: Custody

ICRIA does not currently deduct fees from client accounts; therefore, it is not considered to have “custody” of client assets. Client assets are maintained with the Custodian; ICRIA does not accept physical possession of client assets. Investors will receive account statements of the Custodian electronically through the Portal, as described above. ICRIA urges clients to review the account statements from the Custodian and compare them to any information available through the Portal or from ICRIA to identify any discrepancies. Report any issues promptly to ICRIA through the Portal.

## Item 16: Investment Discretion

We are granted discretionary authority in the Program Agreement to determine which securities and the amounts of securities that are to be bought or sold for client accounts.

Should a client wish to impose reasonable limitations on this discretionary authority, such limitations must be included in the Program Agreement or submitted to ICRIA in writing. Clients may change or amend these limitations, as desired. Such changes or amendments must be submitted to us in writing.

## Item 17: Voting Client Securities

ICRIA requires all clients to retain responsibility for voting securities. ICRIA will not vote proxies, exercise rights, make elections, or take other such actions with respect to securities held for client accounts. If desired, a client may instruct ICRIA in writing to forward to the client or to a third-party any materials ICRIA receives pertaining to proxy solicitations or similar matters. Upon receipt of the client's written instructions, ICRIA will use reasonable efforts to forward such materials in a timely manner. In the absence of a written request, ICRIA will discard proxy and related materials.

Clients may obtain proxy materials by written request to the custodian. For information about obtaining proxy materials from a custodian, contact ICRIA through the Portal. However, ICRIA does not provide advice about the issues raised by proxy solicitations or other requests for corporate actions.

Similarly, ICRIA does not advise or exercise rights, make elections, or take other actions with respect to legal proceedings involving companies whose securities are or were held for a client's account, such as asserting claims or voting in bankruptcy or reorganization proceedings, or filing "proofs of claim" in class action litigation.

If desired, a client may instruct ICRIA in writing to forward to the client or a third party any materials ICRIA receives pertaining to such matters. Upon ICRIA's receipt of such written instructions, ICRIA will use reasonable efforts to forward such materials in a timely manner. In the absence of a written request, ICRIA will discard such materials. Written instructions should be sent to ICRIA through the Portal.

## Item 18: Financial Information

### *Prepayment of Fees Six Months or More in Advance*

Advisers who solicit or accept fees of more than \$1,200 per client, six months or more in advance are required to provide their clients an audited balance sheet.

Because we do not accept pre-paid fees exceeding \$1,200 per client, six months or more in advance, we have not provided a balance sheet.

### *Disclosure of Certain Financial Conditions*

Advisers who have custody or discretion over client funds or securities, or who require prepayment of fees exceeding \$1,200 six months or more in advance must disclose any financial condition reasonably likely to impair their ability to meet contractual commitments to clients.

There is no financial condition that is reasonably likely to impair our ability to meet contractual commitments to our client.

### *Bankruptcy within Past Ten Years*

Advisers who have been the subject of a bankruptcy petition during the past ten years must disclose certain information about the matter.

We have never been the subject of a bankruptcy petition.