

INTELLIGENCE DRIVEN ADVISERS, LLC

(“ID ADVISERS”)

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FIRM BROCHURE

(Part 2A of Form ADV)

11/09/2018

Part 2A of Form ADV (the “Brochure”) provides information about the qualifications and business practices of ID Advisers. If you have any questions about the contents of this Brochure, please contact us at (888) 401-2083. 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.

ID Advisers is registered as an investment adviser with the Securities and Exchange Commission; however, such registration does not imply a certain level of skill or training and no inference to the contrary should be made.

Additional information about ID Advisers also is available on the SEC’s website at www.adviserinfo.sec.gov.

ITEM 1: COVER PAGE

Please refer to previous page.

ITEM 2: MATERIAL CHANGES

ID Advisers is a newly registered investment adviser with the SEC. As such, no material changes are noted here. Our prospective clients are strongly encouraged to read this brochure in its entirety prior to engaging ID Advisers for any advisory services.

Pursuant to SEC Rules, ID Advisers will ensure that clients receive a summary of any materials changes to this Brochure within 120 days of the close of our fiscal year, along with a copy of this Brochure or an offer to provide the Brochure. Additionally, as we experience material changes in the future, we will send you a summary of our “Material Changes”, along with an offer to provide the Brochure under separate cover.

Additional information about ID Advisers and its investment adviser representatives is available on the SEC’s website at www.adviserinfo.sec.gov.

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ITEM 4: ADVISORY BUSINESS

A. Description of Firm

ID Advisers (also referred to herein as the “Firm”) is an investment management firm founded in 2018, with its principal office located in Carlsbad, CA. As further detailed in Item 4.B. below, ID Advisers offers services covering the areas of providing financial planning, discretionary investment management and consulting services to individuals, pension and profit sharing plans, trusts, estates, charitable organizations, corporations, business entities, Eleemosynary Organizations, and Native American Sovereign Nations & Organizations. Some of the investment instruments ID Advisers advises its clientele on include, among other things, mutual funds, exchange traded funds (“ETFs”), equities, bonds, treasuries, certificates of deposits, and affiliated and unaffiliated private funds (“Private Funds”). The Firm is a limited liability company registered with the SEC and has made notice filings in applicable states.

ID Advisers’ majority owner is Labrum Wealth Management, LLC which is principally owned by Mr. Jason R. Labrum, who also serves as the Firm’s President. Mr. Alex Klingensmith, who is the Chief Operating Officer and Mrs. Jordie Czapinski, Chief Compliance Officer are also partial owners of Labrum Wealth Management with less than 5% ownership each. LDIntelligence Advisors, LLC (“LDIA”) is a minority owner of ID Advisers. Jim Pupillo, through LDIA, owns 13.04% of ID Advisers. The remaining percentage ownership of ID Advisers, through LDIA, is distributed among individual members of LDIA, who each own less than 5%.

B. Types of Advisory Services Offered

ID Advisers provides the following types of advisory services: Financial Planning, Investment Management, and Consulting Services, all of which are more fully described below.

1. Financial Planning Services

Through the financial planning process, ID Advisers team strives to engage our clients in conversations around the financial goals, objectives, priorities, vision, and legacy – both for the near term as well as for the future. With the unique goals and circumstances of each client in mind, ID Advisers will offer wealth planning ideas and strategies to address the client’s holistic financial picture. ID Advisers does not provide tax or legal advice. We will work with your independent tax and/or legal advisor (CPA and/or Estate Attorney) to help create a plan tailored to your specific needs. Such services include providing various reports on specific goals and objectives or general investment and/or planning recommendations, and guidance to outside assets and periodic updates.

Our specific services in preparing your financial plan may include, depending on client needs:

- Review and clarification of your financial goals.
- Assessment of your overall financial position including cash flow, balance sheet, investment strategy, risk management and goals-based financial modeling.
- Creation of a unique asset/liability configuration matched to your financial goal(s).

- Development of a goal-oriented investment plan, with input from various advisors to our clients around tax suggestions, asset allocation, expenses, risk and liquidity factors for each goal. This includes IRA and qualified plans, taxable and trust accounts that require special attention.

Risk management is at the core of our investment philosophy. The objective is to achieve the targeted return needed to fund the client's financial goal with the least amount of risk.

For Financial Planning Services, clients are free at all times to accept or reject any or all recommendations made by the Firm and clients retain the authority and discretion on whether or not to implement ID Adviser's recommendations. If the client decides to follow the recommendations, the client has the option, but is under no obligation, to request that ID Advisers implement such recommendations through the Firm's Investment Management Services. Once the financial plan is complete, a written copy is provided to clients. The plan is reviewed annually or as needed.

2. Investment Management Services

We are committed to helping clients build, manage, and preserve their wealth, and to provide assistance that helps clients achieve their stated financial goals. ID Advisers provides clients with ongoing Investment Management Services, which are performed on a discretionary basis. Prior to engaging ID Advisers to provide Investment Management Services, the client is required to enter into an Investment Advisory Agreement with the Firm setting forth the terms and conditions of the engagement, including the specific scope of the services to be provided. In addition, each client completes a Client Profile setting forth important information related to the client's investment goals and financial objectives, among other things.

Clients are responsible for promptly notifying ID Advisers in writing of any material changes in the information furnished by the client in the Client Profile or information that is otherwise material to the client's financial situation, investment objectives, time horizon, risk tolerance and investment strategy or if they wish to impose any reasonable restrictions upon ID Advisers' management services. In the event that a client notifies ID Advisers of changes to the information in their Client Profile, ID Advisers will review such changes and implement in the case of a discretionary account, any necessary changes to the client's portfolio. ID Advisers meets with clients periodically to review the client's investment goals and current advisory portfolios.

Where appropriate, we provide advice about any type of legacy position or other investment held in client portfolios. Clients may engage us to advise on certain investment products that are not maintained at their primary custodian, such as assets held in employer sponsored retirement plans, qualified tuition plans (i.e., 529 plans), variable life insurance and annuity contracts.

Clients are advised and are expected to understand that our past performance is not a guarantee of future results. Also that certain market and economic risks may exist that adversely affect an account's performance and this could result in capital losses in a client's account.

The Firm's investment management services are divided into three types: ID Advisers Model Portfolios, ID Targeted Return Portfolios and ID Advisers Custom Account Management. In

addition, ID Advisers offers Retirement Planning Solutions for plan sponsors. Each type of offering is described further below.

ID Advisers Model Portfolios

ID Advisers uses low cost, institutional share mutual funds, exchange traded funds (“ETFs”), and other investments to formulate a series of asset allocation model portfolios with objectives ranging from capital preservation to aggressive growth, which are then constructed by the Firm’s Investment Committee (“IC”) based on volatility and risk considerations. From time to time and depending on a client’s needs and investment objectives, ID Advisers sometimes: (i) uses certain option strategies in an effort to mitigate market risks, and/or (ii) suggests the use of alternatives and/or Private Funds.

Clients can invest in one or more of the model portfolios. Our Wealth Advisors meet with clients to discuss which model portfolio best meets their long-term personal goals and objectives. Portfolio management decisions for the Model Portfolios occur at the Investment Committee level, which meets approximately once per quarter or as often as needed.

ID Targeted Return Portfolios

ID Advisers offers five asset allocation model portfolios, which have corresponding risk/return attributes ranging from conservative to aggressive. These are:

- ID Target 3 - conservative
- ID Target 4 - moderately conservative
- ID Target 5 - moderate
- ID Target 7 - moderately aggressive
- ID Target 9 - aggressive

The LDI portfolio used is the identified targeted return benchmark linking a client’s assets to their liabilities (expenses), designed with the objective to achieve their financial goals. An assessment of liabilities is determined for a client in order to determine which portfolio would best meet their needs. Changes to capital markets and/or client situations usually necessitate a readjustment among the five LDI portfolios to keep client assets on target.

Please see Items 8 and 12 for important information regarding the analysis methodology and trading practices for ID Advisers’ model portfolios.

ID Advisers Custom Account Management

ID Advisers offers account management for those clients who desire further customization to their portfolio(s). Based on the client’s goals and investment objectives, ID Advisers will build a customized portfolio consisting of mutual funds, ETFs, closed-end funds, equities, fixed-income and/or cash management instruments, including bonds and other financial products, including Private Funds. In addition, when deemed appropriate and based on client needs and investment

objectives, ID Advisers will: (i) use certain option strategies to help mitigate market risks; (ii) suggest the use of certain robo-advisor programs, and/or (iii) use alternative investments.

Some of the Private Funds, mutual funds and ETFs utilized by ID Advisers employ alternative or riskier strategies, such as the use of leverage, derivatives and/or hedging. Please refer to Item 8 below for detailed information regarding the Firm's methods of analysis and the risks surrounding investments.

ID Advisers customizes clients' portfolios according to their individual risk tolerance, time horizon and specific goals. For example, a client is able to place certain restrictions on their accounts, such as restricting the Firm from purchasing or selling a specific security, and restrictions on the types of securities, industries or sectors that may be included as part of the client's account. Note that this may not be possible in all situations, such as when the client invests in mutual funds and ETFs. Clients are charged ID Advisers' customary asset under management fees pursuant to the terms of the Investment Advisory Agreement regardless of what type of positions are held in the account.

Please see Item 12 for important information regarding the trading for this strategy.

3. Retirement Planning Solutions

For employer-sponsored retirement plans with participant-directed investments, our firm provides its advisory services as an investment advisor as defined under Section 3(21) and 3(38) of the Employee Retirement Income Security Act of 1974, as amended ("ERISA").

When serving as an ERISA 3(38) investment manager, the plan sponsor is relieved of all fiduciary responsibility for the investment decisions made by ID Advisers. ID Advisers is a discretionary investment manager in accordance with the terms of a separate ERISA 3(38) Investment Management Agreement between ID Advisers and the ERISA plan. Our investment management is limited in that we have the discretion solely to replace funds in plan fund lineups and initiate the transfer of existing balances to the replacements without prior approval from the ERISA Plan client.

As a 3(38) investment manager, ID Advisers provides the following services to the ERISA plan:

- Select the investments that are offered to plan participants.
- Monitor the investments and replace investments with new investment offerings when appropriate.
- Provide a quarterly monitoring report.
- Assist in education and enrollment of plan participants.
- Assist the plan sponsor in developing an Investment Policy Statement ("IPS").
- Provide a comprehensive fiduciary investment review designed to meet Plan Sponsor fiduciary responsibility and enhance the participant experience.

When serving as an ERISA 3(21) investment adviser, the plan sponsor and ID Advisers share fiduciary responsibility. The plan sponsor retains ultimate decision-making authority for the

investments and may accept or reject the recommendations in accordance with the terms of a separate ERISA 3(21) Investment Advisory Agreement between ID Advisers and the ERISA plan. As a 3(21) investment manager, ID Advisers provides the following services to the plan sponsor:

- Screen investments and make recommendations.
- Monitor the investments and suggests replacement investments when appropriate.
- Provide a quarterly monitoring report.
- Assist the plan sponsor in developing an Investment Policy Statement (“IPS”).

Additional services applicable to ID Advisers’ Retirement Plan Solutions are described in the client agreement. ID Advisers is deemed a “Covered Service Provider” to pension plan clients under ERISA Section 408(b)(2) regulations and is a fiduciary under Sections 3(21) or 3(38) of ERISA. ERISA Section 408(b)(2) requires Covered Service Providers to make required disclosures to the responsible plan sponsor (“RPS”) that are in writing, and include information the RPS needs to (i) assess the reasonableness of total compensation, both direct and indirect, received by the Covered Service Provider, its affiliates, and/or subcontractors, (ii) identify potential conflicts of interest, and (iii) satisfy reporting and disclosure requirements under Title I of ERISA. ID Advisers provides its pension plan clients with such information prior to entering into a written agreement with such clients, and annually thereafter.

4. Institutional Robo-Adviser Programs: IIPS & Betterment

ID Advisers does not currently sponsor nor provide management services to any wrap fee program, as that term is defined in the instructions to Form ADV Part 2. However, as described below, from time to time ID Advisers will recommend to certain clients that they invest a portion of their assets in a robo-adviser program¹, based on the client’s specific financial needs and investment objectives. Certain robo-adviser programs are provided through a wrap program.

Specifically, ID Advisers, from time to time recommends the robo-adviser programs that are sponsored by Betterment, LLC, through their wrap program, and Schwab Institutional Intelligent Portfolios (IIPS), which is not set up as a wrap program. Betterment is an SEC registered investment adviser and Schwab is a registered broker-dealer, and both companies are not affiliated with ID Advisers.

The terms and conditions under which the client will enter into the program will vary by program and be set forth in separate written agreements between (1) the client and the ID Advisers and (2) the client and the adviser providing the robo-adviser program. ID Advisers shall continue to render advisory services to the client relative to the ongoing monitoring and review of account investments and performance, for which ID Advisers shall receive an annual advisory fee from the client, which is based upon a percentage of the market value of the assets being managed under the program. Importantly, clients should understand that ID Advisers’ advisory fee is exclusive of the fee(s) charged under the robo-adviser program. Also, the underlying investments in the program, which typically consist of Exchange Traded Funds (ETFs) have internal

¹ Please refer to SEC Investor Bulletin on Robo-Advisers for important information (<https://www.investor.gov/additional-resources/news-alerts/alerts-bulletins/investor-bulletin-robo-advisers>)

management fees and expenses that are deducted from the assets of the ETF. Please see Item 5 below for further information on fees.

Factors that ID Advisers shall consider in recommending a robo-adviser program include the sponsor's reputation, style of management, performance, and services being offered.

In addition to ID Advisers' written disclosure statement (Form ADV Part 2A), the client shall also receive the written disclosure statement from the firm sponsoring the robo-adviser program. These disclosure statements should be read in their entirety in order to understand the services, fees, risks, and conflicts associated with the robo-adviser program. Please refer to Item 12 for information regarding the brokerage arrangements for the wrap fee program.

B. Private Investments

Although the investment advice provided by ID Advisers is not limited to any specific type of investment, ID Advisers does from time to time, depending on the sophistication, risk tolerances, and qualifications of the client, recommend that a portion of such client's assets be invested in certain affiliated and unaffiliated private investments. These include hedge funds, real estate funds, and other types of private investment vehicles (collectively "Private Funds"). The Private Funds may invest in various types of instruments, including but not limited to equities, debt securities, real estate, first trust deeds, private companies, and other private investment funds. ID Advisers shall continue to render advisory services to the client relative to the ongoing monitoring and review of asset performance and due diligence of the Private Fund.

When determining which clients should receive a recommendation to invest in a Private Fund, ID Advisers considers a number of factors, including but not limited to a client's sophistication and qualification, risk tolerance, investment objectives, and the amount of available assets in the client's account(s). ID Advisers' goal is to allocate in a fair and balanced manner; however, given these differing factors, the allocation of investment opportunities in Private Funds to our clients is subjective and not all qualifying clients will be provided an investment opportunity. (Please refer to Item 12 for further information on the allocation of Private Fund investments).

The client assets with each Private Fund are held at the custodian selected by each Private Fund's sponsor or investment manager. The performance of these Private Funds typically is reported directly from the sponsor. Clients investing in Private Funds are provided with private placement memorandums and other offering and subscription documentation that detail the nature, risks and associated fees of each Private Fund. It is important that the client read these documents before investing to fully understand the types of investments, risks and conflicts pertaining to the Private Funds. ID Advisers and certain ID Advisers investment adviser representatives ("IARs") have affiliations and/or arrangements with the issuer, general partner, managing member, or investment manager (as applicable) of certain Private Funds. Also, there are times when certain ID Advisers Associated Persons invest in the Private Funds.

Mr. Jason Labrum, who is the owner and President of ID Advisers, and Mr. Alex Klingensmith, Chief Operating Officer of ID Advisers are partial owners and co-Managing Members of Invictus Real Estate Partners, LLC ("RE Partners"). RE Partners serves as the Managing Member of the Invictus Total Return Real Estate Fund, LP ("Invictus Fund"), which is a private

real estate fund. Because the fund is closed to new capital and investors, ID Advisers IARs, Mr. Labrum and Mr. Klingensmith are no longer recommending the Invictus Fund to qualifying ID Advisers clients.

In addition, please refer to Items 5, 6, 8, 10, 11, 13, and 14 for further disclosures regarding the Invictus Fund, including the fees received by Mr. Labrum and Mr. Klingensmith and how ID Advisers addresses the conflict surrounding this arrangement.

C. General Information about ID Advisers' Advisory Services

As indicated above, advisory services provided by ID Advisers are customizable based upon the individual needs, objectives, and other financial goals of the client. Early on in the relationship, ID Advisers will typically memorialize each client's investment objectives, risk tolerance, time horizons and other important information, including any investment guidelines, in a client profile or similar document. This information, together with any other information relating to the client's overall financial circumstances, will be used by the Firm to determine the most appropriate asset allocation and investment strategy to best meet the client's financial goals.

ID Advisers will not assume any responsibility for the accuracy of the information provided by the client. The Firm is not obligated to verify any information received from the client or from the client's other professionals (*e.g.*, attorney, accountant, etc.) and is expressly authorized to rely on such information. Under all circumstances, clients are responsible for promptly notifying the Firm in writing of any material changes to the client's financial situation, investment objectives, time horizon, tax status, risk tolerance or other material information that the Firm may have relied upon in rendering its services. In the event that a client notifies the Firm of such changes, ID Advisers will review the changes and may recommend revisions to the client's financial plan and/or portfolio.

There are times when a client may decide to use margin in their account, or when a margin account is necessary, such as when a client invests in options. Margin accounts carry risk, which is summarized in Item 8 below and should be considered before opening a margin account. In addition, clients will be charged margin interest by the custodian on the debit balance in their custodial account. Please note that using margin is not suitable for all investors; the use of margin increases leverage in a client's account and therefore increases overall risk.

D. Advisory Agreement with ID Advisers

Prior to engaging ID Advisers to provide services, each client will be required to enter into one or more written agreements with us, setting forth the services to be provided, the fees to be charged and the terms and conditions under which we will render our services. ID Advisers will provide this Brochure and the applicable Brochure Supplements (Form ADV Part 2B) to each client or prospective client prior to or upon execution of our written agreement. The advisory relationship will continue until terminated by the client or ID Advisers in accordance with the provisions of the executed agreement(s). If and when a client's relationship with ID Advisers terminates, certain mutual fund holdings and the ID Advisers portfolio strategies' positions, will be liquidated.

E. Amount of Client Assets Managed

As of October 8, 2018, the following represents the amount of client assets under management by ID Advisers on a discretionary and non-discretionary basis:

Type of Account	Assets Under Management ("AUM")
Discretionary	\$0
Non-Discretionary	\$0
Total:	\$0

ITEM 5: FEES AND COMPENSATION

A. Compensation for Financial Planning Services

Financial Planning costs are dependent upon several factors, including the level and scope of the services provided, the type of planning selected by the client, the complexity of the client situation and the professional rendering the financial planning services. Prior to the Firm's commencement of Financial Planning the client may be required to pay all, but in no case less than 50%, of the Firm's estimated fee based on the anticipated fees for the services selected. The remaining amount is due once the Financial Plan is complete.

The Firm's financial planning fees are assessed either as a one-time fixed fee or an ongoing fee, dependent upon the services received. Generally, rates range from \$500 to \$10,000 on a fixed fee basis or from \$100 to \$475 on an hourly rate basis. These rates can be negotiated based on the sole discretion of the Firm. Additionally, the Firm will periodically waive all or a portion of its financial planning fee for certain new clients that become investment management or retirement planning clients. There also are times when ID Advisers utilizes marketing campaigns which offer waiver of all or a portion of the financial planning fee to new financial planning clients.

Should a client elect to implement the recommendations contained in their financial plan, brokerage and other transaction costs would apply. Please refer to Item 5.C. and Item 12 for more information on additional fees clients are responsible for (as applicable) and ID Advisers' brokerage practices.

Certain IARs of ID Advisers are licensed insurance agents with our affiliated insurance agency, Labrum Wealth Insurance Solutions (see Item 10 for details), and other various life, health and disability insurance companies. There are times when these IARs recommend the purchase of certain insurance products through ID Advisers Insurance Solutions, and/or other insurance companies, to ID Advisers clients as part of their financial plan. The client is not obligated to purchase the insurance from Labrum Wealth Insurance Solutions. However, if they do, the IAR, in his or her capacity as an insurance agent, will receive normal and customary commissions. The amount of these commissions and timing of payment can vary depending on the type of insurance purchased. Please refer to Item 10 for additional information, including applicable conflicts and how ID Advisers addresses the conflicts.

B. Compensation for Investment Management Services

As described in greater detail below, ID Advisers charges fees based on a percentage of assets under management for its Investment Management Services. The specific fees charged by ID Advisers for its Investment Management Services will be set forth in each client's written Agreement. Advisory fees may be negotiable under certain circumstances at the sole discretion of ID Advisers, and arrangements with any particular client can differ from those described below. Although LWM believes its advisory fees are competitive, clients should be aware that lower fees for comparable services may be available from other sources.

1. Asset-Based Fees

Our annual investment management fee ranges from 0.15% to 1.35%. The specific investment management fee charged to a client is set forth in each client's Agreement and is determined based on the size of the assets under management, complexity of the portfolio, extent of activity in the account and/or other reasons agreed upon by ID Advisers and the client. The Firm typically requires a minimum fee of \$625.00 per quarter (\$2,500 per year); however, all fees are negotiable at the sole discretion of ID Advisers. ID Advisers has clients that pay investment management fees that are lower than our current fee schedule reflected above and calculated differently (i.e., based on daily average account balance). These clients were previously clients of Labrum Wealth Management and LDIntelligence, LLC and ID Advisers has agreed to honor the fee arrangement they had with their respective advisory firm. ID Advisers reserves the right to discount and/or waive our management fees. For example, employees, their family members, and friends of the firm are either charged a lower percentage or the fee is waived.

The Firm's investment management fees are assessed each calendar quarter, charged in advance, and are calculated based upon a percentage of the client's total assets under management with ID Advisers (including assets invested in Private Funds, with the exception of the Invictus Fund) as of the close of business on the last business day of the preceding calendar quarter, including cash, cash equivalents and accrued interest. The management fees are automatically deducted from the client's account by the custodian as soon as practicable following the end of each quarter unless a client has elected to be billed directly in which case an invoice will be delivered to the client. Should a client open an account during a calendar quarter, the Firm's management fee will be prorated based on the number of days the account was open during the quarter. Additional deposits of cash and/or securities will be subject to the same billing procedures provided such transfers exceed \$25,000. ID Advisers does not prorate fees for withdrawals. In the event the Firm's services are terminated mid-quarter, any paid, unearned fees will be promptly refunded to the client. The number of days the account was managed during the quarter until termination is used to determine the percentage of the management fee earned (based on the total number of days in the quarter) and the balance is refunded.

The custodian delivers an account statement to the client at least quarterly, showing (among other things) all disbursements, including advisory fees, deducted from the account. The client is encouraged to review all account statements for accuracy, including the amount of advisory fees being deducted, as this review is not done by the custodian.

The Firm may amend its standard fee schedule at any time by giving thirty (30) days advanced written notice to clients. Should a client have more than one account managed by the Firm, ID Advisers typically aggregates the client's accounts into a household. This aggregation is agreed upon in the client's Investment Management Agreement.

In the case where ID Advisers utilizes the Betterment wrap-fee program, Betterment calculates and deducts all applicable wrap fees from each wrap client's account and pays ID Advisers its investment management fee.

Please note that the internal fees charged by mutual funds, Private Funds, and third party advisers are in addition to ID Advisers' investment advisory fee. Please refer to Item 5.D below for additional information.

As outlined in Item 4 above, Mr. Labrum, who is the owner and President of ID Advisers, and Mr. Alex Klingensmith, Chief Operating Officer of ID Advisers, are partial owners and co-Managing Members of RE Partners. RE Partners serves as the Managing Member of the Invictus Fund, which is a private real estate fund. Because the fund is closed to new capital and investors, ID Advisers IARs, including Mr. Labrum and Mr. Klingensmith no longer recommend the Invictus Fund to qualifying ID Advisers clients. For existing assets invested in the Invictus Fund, ID Advisers will not charge investment advisory fees on the same assets and no IAR of ID Advisers will receive commissions or any other transaction-based compensation from the Invictus Fund or RE Partners. However, Mr. Labrum and Mr. Klingensmith continue to receive an indirect benefit on assets invested in the Invictus Fund since they are owners and co-Managing Members of RE Partners and RE Partners, as Managing Member of Invictus Fund receives fees from the Invictus Fund for providing services. This monetary benefit creates a conflict as it could incentivize ID Advisers, Mr. Labrum, Mr. Klingensmith and/or ID Advisers IARs to recommend that ID Advisers clients remain invested in the Invictus Fund. Please see Item 4 above and Items 6, 8, 10, 11, 13, and 14 below for additional information regarding fees, affiliations and conflicts of interest concerning this relationship.

C. Compensation for Retirement Planning Solutions

Based upon the services selected by the plan client, the Firm generally will charge an annual advisory fee not to exceed one percent (1%) of a client's assets under management. This fee is assessed monthly or quarterly, in arrears or advance, depending on calculation procedures of the applicable custodian. In most cases, such fees will be calculated and automatically deducted from the plan client's account by the custodian as soon as practicable following the end of each applicable billing period and paid to ID Advisers. In some cases, ID Advisers will calculate the fee and invoice plan clients directly at ID Advisers' discretion.

Should a plan client open an account during a quarter, the Firm's advisory fee will be prorated based on the number of days the account was open during the quarter. In the event the Firm's services are terminated mid-quarter, any paid, unearned fees will be promptly refunded to the Client, and any earned, unpaid fees will be due and payable to ID Advisers.

At times, ID Advisers charges a fixed-fee for consulting and plan implementation services. These fees are negotiable and described in the client's Agreement with ID Advisers. There are

times when ID Advisers utilizes marketing campaigns which offer waiver of a portion of the annual fee to new retirement planning clients.

D. General Information on Other Fees

Clients incur certain fees or charges imposed by third-parties other than ID Advisers in connection with investments or recommendations made by the Firm. These fees and charges are separate and distinct from the fees or charges stated above and can include, but not be limited to: custodial fees, mutual fund fees and expenses including 12b-1 fees, certain deferred sales charges on previously purchased mutual funds transferred into the account, Private Fund management and incentive/performance fees, other transaction related fees, IRA and Qualified Retirement Plan fees, interest charged on margin borrowing, interest charged on debit balanced, “spreads” imposed by brokers and dealers representing implicit transaction costs, commissions and transfer taxes. Information regarding fees or charges assessed by any mutual funds held in client accounts is available in the appropriate prospectus. ID Advisers is not responsible for, and does not receive any portion of, the fees imposed by such third-parties.

In addition, client assets invested with third party advisers, recommended and/or utilized by ID Advisers will be subject to management fees charged by those third-party advisers, as described in each manager’s disclosure brochure (Form ADV Part 2A).

Client assets invested in Private Funds are also subject to management fees, performance fees and other expenses as described in each fund’s offering materials.

These fees and expenses described above are separate from and in addition to the fees charged by ID Advisers. Clients should carefully review the fees charged by any mutual fund, third party adviser, and Private Funds in which the client’s assets are invested, together with the fees charged by ID Advisers, to fully understand the total amount of fees to be paid by the client and in order to evaluate the advisory services being provided.

As mentioned above, certain ID Advisers IARs receive compensation based on certain insurance recommendations made to clients. Because of that, clients should be aware that the receipt of additional compensation by IARs of the Firm creates an inherent conflict of interest and can affect the judgment of these individuals when making recommendations. This is due to the fact that the IAR, when receiving compensation has an incentive to make recommendations based on the compensation received rather than on a client’s needs. ID Advisers has adopted certain procedures designed to mitigate the effects of conflicts. ID Advisers and its IARs endeavor at all times to put the interests of the clients first, and recommendations only will be made to the extent that they are reasonably believed to be in the best interests of the client. Additionally, the conflicts presented by these practices are disclosed to clients at the time of entering into an advisory agreement, mainly through the delivery of the ID Advisers Disclosure Brochure (ADV Part 2A) and ADV Part 2B Supplement Brochures. Clients are not obligated to implement any insurance recommendations made by ID Advisers or any of its affiliates. Should a client decide to implement such recommendations, the client has the discretion to choose any insurance agent and/or agency to complete the transaction.

ID Advisers has certain clients that own variable annuities in a brokerage account with International Assets Advisory, LLC (“IAA”), a registered broker-dealer. Mr. Richard Labrum is a registered representative of IAA and serves as those clients’ representative for their brokerage accounts. As such, Mr. Labrum receives ongoing commission payments from IAA, which represents a portion of the ongoing fees paid by the variable annuities to IAA. The represents less than 10% of Mr. Labrum’s income.

Please refer to Item 10 for additional information regarding the financial industry affiliations of ID Advisers and its IARs.

E. ID Advisers’ Valuation Policy

When determining market value of an account for purposes of calculating advisory fees, ID Advisers’ policy is as follows: for all publicly traded securities held in client accounts, ID Advisers relies on daily prices received from clients’ custodians. For investments in Private Funds, ID Advisers relies upon the valuations provided by the issuer of each Private Fund. Depending on the type of Private Fund and underlying investments, valuations can be reflected at cost until such time as the issuer provides an updated valuation. In the event that a valuation is not timely provided by the operator/ issuer or there is some market or other relevant event which ID Advisers believes impacts the valuation provided, then the Private Fund holding will be fair valued in accordance with ID Advisers’ written valuation procedures. Please also refer to Item 13 for further information regarding reporting valuations on client account statements.

ITEM 6: PERFORMANCE-BASED FEES AND SIDE-BY-SIDE MANAGEMENT

ID Advisers does not charge advisory fees on a share of the capital appreciation of the funds or securities in a client account (i.e., performance-based fees) nor engage in side by side management.

Some of the Private Funds that ID Advisers’ investment management clients invest in do charge performance/incentive based fees, which are outlined in the respective product’s offering documents and should be reviewed by investors. These performance fees can only be charged to investors that meet the definition of “qualified client” outlined in Rule 205-3 under the Investment Advisers Act of 1940. Any client or ID Advisers employee investing in a Private Fund that charges performance/incentive fees that did/does not meet such definition is not charged a performance/incentive fee by the Private Fund. ID Advisers does not receive any portion of these fees, with the exception of the Invictus Fund. Because Mr. Jason Labrum and Mr. Alex Klingensmith are partial owners and co-Managing Members of RE Partners, who serves as the Managing Member of the Invictus Fund, both indirectly participate in the performance fee compensation that is paid to RE Partners.

Please refer to Items 4 & 5 above, and Items 10, 11, and 13 below for additional information on Mr. Labrum’s and Mr. Klingensmith’s association with Invictus Fund, the conflicts surrounding this association and how ID Advisers addresses such conflicts. Also, refer to Item 8 below regarding risks surrounding Private Funds (including the Invictus Fund) and other investments made by ID Advisers.

ITEM 7: TYPES OF CLIENTS

A. Description

ID Advisers provides its services to individuals, high net worth individuals, pension and profit sharing plans, trusts, estates, charitable organizations, corporations, other business entities, Eleemosynary Organizations and Native American Sovereign Nations & Organizations.

B. Conditions for Managing Accounts

Prior to engaging ID Advisers to provide Investment Management Services or Financial Planning Services, as described in this Brochure, the client will be required to enter into one or more written agreements with ID Advisers setting forth the terms and conditions under which the Firm will render its services.

ITEM 8: METHODS OF ANALYSIS, INVESTMENT STRATEGIES AND RISK OF LOSS

A. Methods of Analysis and Investment Strategies

ID Advisers Model Portfolios

ID Advisers primarily uses fundamental analysis in constructing its asset class based model portfolios. The sources of information used by ID Advisers to perform its analysis include, but are not limited to, market news reports, financial publications such as Morningstar, Schwab Research, Bloomberg and fi360, rating services, outside research reports, annual reports, prospectuses, SEC filings, company press releases, and interpretation of exchange market data. Following an investment, ID Advisers will continue to monitor the progress and suitability of portfolio investments as well as market and economic outlook.

Generally, the Firm recommends a model portfolio based upon information provided by the client reflecting their particular financial circumstances, investment needs, goals and objectives and risk tolerance. This can include multiple securities asset-classes consisting of no- or low-load mutual funds and/or ETFs which are available to clients as any one of the model portfolio allocations which fall among the following risk tolerance levels:

1. *Aggressive Growth*: A portfolio that is purely focused on aggressive growth of capital with little or no regard for volatility in the markets
2. *Growth*: A portfolio focused on growth of capital with some consideration for volatility
3. *Moderate*: A portfolio that has equal consideration for growth of capital and reduction of volatility
4. *Conservative*: A portfolio primarily focused on the preservation of capital with some consideration for growth
5. *Capital Preservation*: A portfolio structured for the preservation of capital with little appetite for volatility or risk.

ID Targeted Return Portfolios

ID Advisers offers five Targeted Return Portfolios, which have corresponding risk/return attributes ranging from conservative to aggressive. These are:

- ID Target 3 - conservative
- ID Target 4 - moderately conservative
- ID Target 5 - moderate
- ID Target - moderately aggressive
- ID Target - aggressive

The LDI portfolio used is the identified targeted return benchmark linking a client's assets to their liabilities (expenses), designed with the objective to achieve their financial goals. An assessment of liabilities is determined for a client in order to determine which model targeted return portfolio would best meet their needs. Changes to capital markets and/or client situations usually necessitate a readjustment among the five LDI portfolios to keep client assets on target.

LDI Targeted Return Portfolios construction begins with identifying the client's liabilities calculation. The LDI model targeted return portfolio links the client's assets to their growth and cash flow liabilities for meeting current and future financial goals.

We believe these Advanced Portfolio Theory attributes and the LDI methodology provide better procedures for constructing client-tailored portfolios. The methodology defines an income, inflation protection, growth, and liquidity needs while also monitoring portfolio risk exposures. The methodology is also an event driven discipline, subject to capital markets and/or Investor circumstantial change(s). These event-driven investing considerations are designed to help avoid emotional hazards of market timing and other potentially destructive investment decisions. Lastly, this process is monitored and periodically rebalanced for dynamic changes that occur on both sides of the Investor's balance sheet and tactically adjusted for the dynamically changing economic and capital markets environment.

Private Fund Investments

The Private Funds in which ID Advisers clients invest pursue different investment processes and strategies, which generally are considered risky. The processes and strategies for the Private Funds, including the Invictus Fund are disclosed in each Private Fund's offering documents and can include, but not limited to hedging, leverage, short sales, uncovered options, real estate investments, and other non-liquid investments. Such strategies carry a risk of total loss of principal. Each Private Fund investment has varying degrees of illiquidity depending on the type of fund and its underlining investments, which are outlined in each fund's offering documents and should be reviewed carefully prior to investment.

B. Risk of Loss

Investing in securities involves risk of loss that clients should be prepared to bear. Prior to engaging ID Advisers to perform investment advisory services, a client should carefully consider: 1) committing to management only those assets that the client believes will not be needed for current purposes and that can be invested on a long-term basis, 2) that volatility from

investing in the stock market can occur, and 3) that over time the client's assets can fluctuate and at any time be worth more or less than the amount invested.

Some of the risks of loss a client should be aware of include, but are not limited, to the following:

- Interest-Rate Risk: Fluctuations in interest rates can cause investment prices to fluctuate. For example, when interest rates rise, yields on existing bonds become less attractive, causing their market values to decline.
- Market Risk: The price of a stock, bond, mutual fund or other security can drop in reaction to tangible and intangible events and conditions. This type of risk is caused by external factors independent of a security's particular underlying circumstances.
- Inflation Risk: When any type of inflation is present, a dollar today will not buy as much as a dollar next year, because purchasing power is eroding at the rate of inflation.
- 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.
- Equity (stock) Market Risk: Common stocks are susceptible to general stock market fluctuations and to volatile increases and decreases in value as market confidence in and perceptions of their issuers change. If you held common stock, or common stock equivalents, of any given issuer, you would generally be exposed to greater risk than if you held preferred stocks and debt obligations of the issuer.
- Options Risk: Options on securities can be subject to greater fluctuations in value than an investment in the underlying securities. Purchasing and writing put and call options are highly specialized activities and entail greater than ordinary investment risks. Please see below for more details.
- ETF and Mutual Fund Risk: When investing in an ETF or mutual fund, you will bear additional expenses based on your pro rata share of the ETF's or mutual fund's operating expenses, including the potential duplication of management fees. The risk of owning an ETF or mutual fund generally reflects the risks of owning the underlying securities the ETF or mutual fund holds. You will also incur brokerage costs when purchasing ETFs.
- Private Funds Investment Risk: The managers of the Private Funds will have broad discretion in selecting the investments for the fund. There are few limitations on the types of securities or other financial instruments which can be traded and no requirement to diversify. Depending on the type of Private Fund, the Private Fund's manager may trade the assets of the fund on margin or otherwise leverage positions, thereby potentially increasing the risk to the Private Fund and its investors. In addition, because the vehicles are not registered as investment companies, there is an absence of regulation. There are numerous other risks in investing in these securities. The client should read the private placement memorandum and/or other documents explaining such risks, before investing.
- Political and Legislative Risks: Companies face a complex set of laws and circumstances in each country in which they operate. The political and legal environment can change rapidly and without warning and with significant impact, this is especially true for

companies operating outside of the United States or that conduct a portion of their business outside of the United States.

- Reinvestment Risk: This is the risk that future proceeds from investments may have to be reinvested at a potentially lower rate of return (*i.e.* interest rate). This primarily relates to fixed income securities.
- Business Risk: These risks are associated with a particular industry or a particular company within an industry. Generally, business risk is that a company will go bankrupt or perform below expectations. Every company carries the business risk that it will produce insufficient cash flow in order to maintain operations. Business risk can come from a variety of sources, some systemic and others un-systemic. That is, every company has the business risk that the broader economy will perform poorly and therefore that sales will be poor, and also the risk that the market simply will not like its products.
- Liquidity Risk: Liquidity is the ability to readily convert an investment into cash. Generally, assets are more liquid if there is an active market for the asset. For example, Treasury Bills are highly liquid, while real estate properties are not.
- Fixed Income Risk: When investing in bonds, there is the risk that the issuer will default on the bond and be unable to make payments. Further, individuals who depend on set amounts of periodically paid income face the risk that inflation will erode their spending power. Fixed-income investors receive set, regular payments that face the same inflation risk.
- 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 can result in bankruptcy and/or a declining market value.

Depending on the sophistication and risk tolerances of its clients, ID Advisers recommends, as part of a client's overall investment strategy, that a portion of such client's assets be invested in Private Funds or other alternative investments. Such investments present special risks for ID Advisers' clients, including without limitation, limited liquidity, higher fees, volatile performance, heightened risk of loss, limited transparency, special tax considerations, subjective valuations and limited regulatory oversight. Therefore, private investments may not be suitable for all ID Advisers clients and will be offered only to those qualifying clients for whom an investment therein is determined to be suitable (Please refer to Item 12 below for further information on allocation of Private Fund investments). Generally, such investments are available for investment only to a limited number of sophisticated investors who meet the definition of "accredited investor" under Regulation D of the Securities Act of 1933, as amended (the "Securities Act") and "qualified client" under the Investment Advisers Act of 1940. It is important that each potential qualified investor fully read each offering or private placement memorandum prior to investing. Private Funds often impose performance-based fees or incentive allocations payable to the fund manager or general partner. Such performance-based fee/incentive allocation structures can create an incentive for the managers of the Private Funds to make investments that are riskier or more speculative than would be the case in the absence of a performance-based fee/incentive allocation structure. Additionally, the performance-based fee structure could also cause the portfolio managers responsible for the Private Funds to devote a

disproportionate amount of time to the management of the Private Funds, and compensation could be larger than it otherwise would have been because the fee/incentive allocation will be based on account performance instead of a percentage of assets under management.

Some of the Private Funds that ID Advisers invests in for clients employ alternative or riskier strategies, such as the use of leverage or hedging. Leverage is the use of debt to finance an activity. For example, leverage is used when one uses margin to buy a security. Hedging on the other hand occurs when an investment is made in order to reduce the risk of adverse price movements in a security. For example, hedging is used when one takes an offsetting position in a related security, such as an option or short sale. While leverage or hedging can operate to increase rates of return it also increases the amount of risk inherent in an investment. Additionally, certain Private Funds can be more illiquid than others, meaning that an investor's investment can be "locked up" for a defined period of time or for the life of the Private Fund. The illiquidity of each Private Fund depends on a few factors, including but not limited to the type and liquidity of the Private Fund's underlying investments. It is important for investors to read the Private Fund's offering documents fully before investing.

For certain clients, ID Advisers also employs the use of options. Below are some of the main risks associated with investing in options:

- When writing covered call options to produce income for a client's account, there can be times when the underlying stock is "called" (call option contract exercised or assigned) by the investor that purchased the call option. That means the client would be required to sell the underlying security at the exercise (pre-determined) price to that investor.
- Clients are required to open a margin account in order to invest in options, which carries additional risks and would result in margin interest costs to the client.
- Option positions can be adversely affected by company specific issues (the issuer of the underlying security) which include but are not limited to bankruptcy, insolvency, failing to file with regulatory bodies, being delisted, having trading halted or suspended, corporate reorganizations, asset sales, spin offs, stock splits, mergers and acquisitions. In addition, market related actions, political issues, and economic issues can adversely affect the option market. These factors could restrict, halt, suspend, or terminate option positions written (sold) or purchased.
- Changes in value of the option do not always correlate with the underlying security, and the account could lose more than principal amount invested.

Options involve risk and are not suitable for all clients. Therefore, a client should read the option disclosure document, "Characteristics and Risks of Standardized Options", which can be obtained from any exchange on which options are traded, at www.optionsclearing.com, or by calling 1-888-OPTIONS, or by contacting your broker/custodian.

Past performance is not indicative of future results. Therefore, Clients should never assume that future performance of any specific investment or investment strategy will be profitable. Investing

in securities (including stocks, mutual funds, and bonds, etc.) involves risk of loss. Further, depending on the different types of investments there are varying degrees of risk. Because of the inherent risk of loss associated with investing, ID Advisers is unable to represent, guarantee, or even imply that the Firm's services and methods of analysis can or will predict future results, successfully identify market tops or bottoms, or insulate clients from losses due to market corrections or declines.

ITEM 9: DISCIPLINARY INFORMATION

Registered investment advisers such as ID Advisers are required to disclose all material facts regarding any legal or disciplinary events that would be material to a client's or prospective client's evaluation of the Firm or the integrity of its management.

Mr. Richard Labrum, who serves as an IAR for ID Advisers and was a Founder/Director of Labrum Wealth Management, the majority owner of ID Advisers, agreed to a compromise with creditors on May 15, 2014, which resulted in the short-sale of his primary residence. For more information, please see Mr. Richard Labrum's Form ADV Part 2B.

Mr. Alex Klingensmith, who is the Chief Operating Officer and an IAR for ID Advisers and is a minority owner and Managing Director of Labrum Wealth Management, agreed to a compromise with creditors on August 2, 2012, which resulted in the short-sale of his primary residence. For more information, please see Mr. Alex Klingensmith's Form ADV Part 2B.

ITEM 10: OTHER FINANCIAL INDUSTRY ACTIVITIES AND AFFILIATIONS

A. Financial Industry Outside Business Activities and Affiliations

Affiliations

1) In addition to his activities at ID Advisers, Mr. Richard Labrum is a registered representative of IAA, an unaffiliated registered broker-dealer and member of the Financial Industry Regulatory Authority ("FINRA"). ID Advisers has certain clients that own variable annuities in a brokerage account with IAA. Mr. Richard Labrum is a registered representative of IAA and serves as those clients' representative for their brokerage accounts. As such, Mr. Labrum receives ongoing commission payments from IAA, which represents a portion of the ongoing fees paid by the variable annuities to IAA. The represents less than 10% of Mr. Labrum's income.

2) ID Advisers is affiliated with Labrum Wealth Insurance Solutions, LLC (California insurance license #0H15015), which is a licensed insurance agency offering fixed and fixed indexed annuities, life, health, long-term care and disability insurance to its clients. Certain IARs of ID Advisers are also licensed insurance agents with Labrum Wealth Insurance Solutions, and other various life, health and disability insurance companies. There are times when these IARs recommend the purchase of certain insurance products through Labrum Wealth Insurance Solutions, and/or other insurance companies, to ID Advisers' clients as part of their financial plan. Upon purchase, the IAR, in his or her capacity as an insurance agent, will receive normal and customary commissions. The amount of these commissions and timing of payment

can vary depending on the type of insurance purchased. In addition to commissions received, the IARs in their capacity as licensed insurance agents can receive certain sales incentives from insurance companies, including but not limited to the award of vacation travel to domestic and foreign locations, cash bonuses, and/or higher percentage payout of commissions. Additionally, Mr. Jason Labrum receives an indirect benefit of all insurance sales that are made through Labrum Wealth Insurance Solutions due to the fact that he is the owner and as such, he shares in the profits and losses of that firm.

A conflict exists between the interests of ID Advisers and/or its associated persons and the interest of the Firm's clients to the extent that these IARs recommending the purchase of insurance products will receive commissions and incentives for doing so, should the clients elect to follow such recommendations, even if the recommendations are based on the best interest of the clients and their needs. Clients are under no obligation to act upon any insurance recommendations. If a client elects to act on any insurance recommendation, the client is under no obligation to effect the transaction through Labrum Wealth Insurance Solutions, or through any IAR of the Firm. Importantly, ID Advisers is a fiduciary and as such must act at all times in the best interest of its clients. To further address these conflicts, ID Advisers provides disclosures to its clients, mainly through delivery of this Brochure, and has implemented procedures to monitor and periodically review the sales practices of its IAR/insurance agents to help ensure all recommendations are made in accordance with the needs of each clients.

LDIA, the minority owner of ID Advisers, is affiliated through common ownership with the following companies:

- 1) LDIntelligence, LLC – an investment adviser separately registered with the SEC that provides advisory services specifically related to a technology-driven managed account program for retirement plans. LDI does not provide similar investment advisory services and does not service the same type of clients as ID Advisers.
- 2) LDI-MAP LLC – a retirement plan technology & managed account services firm. LDI-MAP LLC is majority-owned and managed by LDI.
- 3) LDI Personnel LLC – administers LDI's employee compensation, tax and benefit costs. LDI Personnel LLC is owned and managed by LDI.

In addition, LDI-MAP LLC owns a software program, iJoin.com, which provides an enrollment and tracking software for retirement plan participants. This product is offered to ID Advisers' retirement plan clients.

Mr. James Pupillo, as the majority owner of LDI, shares in the profit and losses of the above listed firms, which includes receiving an indirect benefit from the sales of the iJoin product. These relationships create conflicts of interest. To address these conflicts, ID Advisers provides disclosures to clients, mainly through delivery of this Brochure. While LDI and ID Advisers do anticipate referring clients to one another, and when such a referral does occur, conflict of interest issues will be disclosed to the client before entering into an agreement to receive services from the other entity. In addition, retirement plan clients are under no obligation to purchase iJoin software. Mr. Pupillo spends approximately 10% of his time providing services for each of the above firms.

Outside Business Activities

- 1) In addition, Mr. Jason Labrum and Mr. Richard Labrum are the Managing Members of ID Advisers Real Estate, LLC, which serves as property manager for the building where ID Advisers' Murrieta, CA office is located. ID Advisers leases the space from ID Advisers Real Estate, LLC. Similarly, Mr. Jason Labrum is also the Managing Member of JADL, LLC, which serves as property manager for the building where ID Advisers' principal office in Carlsbad, CA is located. ID Advisers leases the space from JADL, LLC. Mr. Jason Labrum spends less than 1% of his time on this activity. Mr. Richard Labrum spends less than 1% of his time on this activity.
- 2) Mr. Jason Labrum also serves on the Board of Directors for the Carlsbad Boys and Girls Club and He devotes approximately 5% of his time monthly to this activity and is not compensated for his Board service.
- 3) Additionally, as outlined in Item 4 above, Mr. Jason Labrum and Mr. Alex Klingensmith are partial owners and serve as co-Managing Members of RE Partners. RE Partners serves as the Managing Member of the Invictus Fund, which was recommended to certain ID Advisers clients in the past, but is no longer open to new capital or investors. Mr. Labrum spends less than 1% of his time on this activity. Mr. Klingensmith spends less than 1% of his time on this activity.

Please refer to Form ADV Part 2B supplemental disclosure brochures for Messrs. Richard Labrum, Jason Labrum and Alex Klingensmith for complete information on their outside business activities.

B. Recommendations of Certain Private Fund Investments and Related Conflicts

The Managing Member of the Invictus Fund is RE Partners, which is a real estate management firm that is partly owned by Mr. Jason Labrum and Mr. Alex Klingensmith. Neither ID Advisers nor any of its IARs receive commissions or any other transaction-based compensation in connection with ID Advisers clients' investment in the Invictus Fund. However, through their ownership of RE Partners, Mr. Labrum and Mr. Klingensmith benefit from the profits and remuneration that the Invictus Fund distributes or pays to RE Partners, a portion of which are attributed to investments in the Invictus Fund by ID Advisers clients. This conflict of interest affects the ability of ID Advisers, Mr. Jason Labrum, Mr. Alex Klingensmith and the firm's IARs to provide clients with unbiased, objective investment advice concerning the recommendation of certain Private Fund investments for client accounts. This could mean that other investments that Mr. Labrum and Mr. Klingensmith do not have an interest in, may be more appropriate for an investment advisory client than an investment in the Invictus Fund. Therefore, a conflict of interest exists in the selection of investments for ID Advisers clients. The Invictus Fund is no longer open to new capital or investors so is not actively being solicited to clients. For further information on the compensation Mr. Labrum and Mr. Klingensmith receive for performing outside business activities, along with information on how ID Advisers addresses the conflicts surrounding these activities, please refer to their respective Form ADV Part 2B – Disclosure Supplement.

ITEM 11: CODE OF ETHICS, PARTICIPATION OR INTEREST IN CLIENT TRANSACTIONS AND PERSONAL TRADING

A. Description of Code of Ethics

ID Advisers is a fiduciary who owes its clients undivided loyalty. This fiduciary obligation imposes upon ID Advisers and its supervised persons (includes all employees, officers and directors) a duty to deal fairly and to act in the best interest of its clients. In addition, this obligation imposes upon ID Advisers and its associated persons numerous responsibilities, including the duty to render disinterested and impartial advice; to make suitable recommendations within the context of the total portfolio to clients in light of their needs, financial circumstances and investment objectives; to exercise a high degree of care to ensure that adequate and accurate representations of its business and other information about securities are presented to clients; and to not engage in fraudulent, deceptive or manipulative practices.

To this end, ID Advisers has adopted a Code of Ethics ("Code") which establishes standards of conduct for the Firm's supervised persons and includes general requirements that such supervised persons comply with their fiduciary obligations to clients and applicable securities laws, and specific requirements relating to, among other things, personal trading, insider trading, and conflicts of interest, such as outside business activities and political contributions,

Because ID Advisers' investment professionals and supervised persons transact, from time to time, in the same securities (including Private Funds) for their personal accounts that the Firm trades in client accounts, it is important to mitigate the potential conflicts of interest surrounding this activity. As such, ID Advisers has adopted personal securities transaction policies in its Code, which all of ID Advisers' supervised persons must follow. Specifically, the Code requires personnel to report personal trades and holdings and prohibits or requires pre-clearance for certain trades in certain circumstances. The Code also contains procedures for reporting of and/or obtaining pre-approval for certain conflict activities. Additionally, the Code requires all supervised persons to report any violations and contains procedures on how violations are handled. The Code is reviewed and distributed to all supervised persons annually. ID Advisers will provide a copy of its Code of Ethics to any client or prospective client upon request. Please contact ID Advisers at (888) 401-2083.

B. Participation or Interest in Client Transactions

It is ID Advisers' policy not to enter into any principal transactions or agency cross transactions on behalf of Client accounts. Principal transactions occur where an adviser, acting as principal for its own account, buys securities from or sells securities to any advisory Client. Agency cross transactions occur where a person acts as an investment adviser in relation to a transaction in which the adviser, or an affiliate of the adviser, acts as broker for both the advisory Client and for another person on the other side of the transaction.

As mentioned above, from time to time ID Advisers' supervised persons buy or sell for their personal account(s) securities or investment products (including Private Funds) identical to those traded for or already owned by clients. Such practices present potential conflicts of interest. To

mitigate these conflicts, ID Advisers has adopted a Code of Ethics, which outlines the procedures regarding personal trading that must be followed (see details below). Additionally, as part of ID Advisers' fiduciary duty to clients, ID Advisers and its supervised persons will endeavor at all times to put the interests of the clients first and at all times are required to adhere to ID Advisers' Code of Ethics.

C. Personal Trading

In order to mitigate the conflicts of interest surrounding personal trading by supervised persons and to comply with all applicable laws and regulations, ID Advisers' Code of Ethics sets forth the professional and fiduciary standards that all supervised persons must follow, including but not limited to obtaining preapproval from Compliance on certain personal security transactions, such as investments in Private Funds, IPOs and other limited offerings. The Firm's intention is to protect client interests at all times and to demonstrate ID Advisers' commitment to its fiduciary duties of honesty, good faith and fair dealing with clients. All supervised persons are expected to adhere strictly to the policy and are required to follow specific procedures regarding personal trading, including:

- Adherence to the fundamental standard that supervised persons should not take inappropriate advantage of their position;
- Conducting all personal securities transactions in a manner consistent with the adopted policy and procedures, including obtaining pre-approval when required;
- Using reasonable care and exercise independent professional judgment when conducting investment analysis, making investment recommendations, taking investment actions, and engaging in other professional activities; and
- Complying with all applicable provisions of the federal securities laws.

Notably, ID Advisers' supervised persons also buy or sell specific securities for their own accounts based on personal investment considerations, which ID Advisers does not deem appropriate to buy or sell for clients.

ITEM 12: BROKERAGE PRACTICES

In some cases, ID Advisers maintains custody of client assets by virtue of being able to debit management fees directly from client accounts and by having limited power to disburse client funds to one or more third parties as specifically designated by the client via a signed Standing Letter of Authorization "SLOA". More information on custody can be found below in Item 15: Custody.

Because we are deemed to have custody of clients' managed assets, such assets must be maintained in an account at a "qualified custodian," which is generally a broker-dealer or bank. ID Advisers typically recommends that clients use Charles Schwab & Co., Inc. ("Schwab"), Fidelity Brokerage Services, LLC ("Fidelity") or TD Ameritrade, Inc. ("TD Ameritrade"), which are FINRA-registered broker-dealers and members of SIPC, as the qualified custodian to maintain custody of client assets and to effect trades for client accounts. ID Advisers is independently owned and operated and not affiliated with Schwab, Fidelity or TD Ameritrade.

Schwab, Fidelity and TD Ameritrade will hold our clients' assets in a brokerage account and execute securities' transactions in clients' accounts upon instruction from ID Advisers. While ID Advisers recommends that you use Schwab, Fidelity or TD Ameritrade as custodian/broker, clients make the final decision. Each client will be required to open an account with their selected custodian by entering into an account agreement directly with the custodian.

As further described below, factors considered by ID Advisers in recommending Schwab, Fidelity and TD Ameritrade include but are not limited to, the reasonableness of their commissions, their financial strength, product availability, research and other services available to both the client and the ID Advisers. There is no direct link between our participation in a custodian's platform and the investment advice we give to our clients.

A. Selection Criteria

ID Advisers will place transactions for clients' accounts through the client's appointed custodian (Schwab, Fidelity or TD Ameritrade), since these custodians generally do not charge custodian fees so long as transactions for client accounts are executed through them as broker-dealer.

There are times, however, when we will have an alternative broker-dealer execute certain individual transactions, mainly to trade in fixed income securities for accounts held at Schwab. This is commonly referred to as "step-out" trading and requires both ID Advisers and the client to enter into a written agreement with Schwab ("Prime Brokerage Arrangement"). ID Advisers only places step out trades when Schwab does not have access to the security or we believe that best execution for such individual transaction could be achieved outside of Schwab.

Clients are under no obligation to enter into this type of arrangement with Schwab and should fully read and understand the terms of such arrangement prior to executing the agreement. Usually, this type of arrangement requires to client to maintain a minimum net equity of cash and securities in their Schwab account, as determined by Schwab. Also, there are additional transaction fees involved since the executing broker changes a commission and Schwab usually charges a transaction fee. An account will be opened with the executing broker in the name of Schwab as prime broker designated for the benefit of the ID Advisers client. This allows the executing broker to execute the trade and then send the trade to Schwab for settlement into the client's account.

Prime brokerage arrangements give ID Advisers more access to fixed income securities beyond Schwab's inventory and helps us seek better execution by having greater flexibility to, in most cases, negotiate price and commission costs with the executing broker. However, clients should understand that the total costs of a prime brokerage transaction will be more than if ID Advisers were to trade only with Schwab. Importantly, ID Advisers will only place prime brokerage transactions when we believe such transactions will provide best execution for the clients.

ID Advisers periodically evaluates the commissions charged and the services provided by the custodian and compare those with other broker-dealers to evaluate whether overall best qualitative execution could be achieved by using alternative custodians. Other factors considered by ID Advisers when evaluating its choice of custodian to recommend are outlined below.

How We Select Custodians/Brokers

ID Advisers seeks to select and recommend a custodian/broker who will hold your assets and execute transactions on terms that are overall most advantageous when compared to other available providers and their services. ID Advisers considers a wide range of factors, including, among others, these:

- combination of transaction execution services along with asset custody services (generally without a separate fee for custody);
- capability to execute, clear and settle trades (buy and sell securities for your account);
- capabilities to facilitate transfers and payments to and from accounts (wire transfers, check requests, bill payment, etc.);
- breadth of investment products made available (stocks, bonds, mutual funds, ETFs, etc.);
- availability of investment research and tools that assist us in making investment decisions;
- quality of services;
- competitiveness of the price of those services (commission rates, margin interest rates, other fees, etc.) and willingness to negotiate them;
- reputation, financial strength and stability of the provider;
- the custodian/broker's prior service to us and our other clients; and
- availability of other products and services that benefit us, as discussed below

Schwab Custodian Arrangement

Custody and Brokerage Costs

Schwab generally do not charge ID Advisers client accounts separately for custody services but is compensated by charging clients commissions or other fees on trades that it executes or that settle into your Schwab account. Schwab's commission rates applicable to ID Advisers client accounts were negotiated based on our commitment to maintain ID Advisers client assets in accounts at Schwab. This commitment benefits you because the overall commission rates you pay are lower than they would be if ID Advisers had not made the commitment. In addition to commissions, Schwab charges a flat dollar amount as a "trade away" fee for each trade that ID Advisers executes by a different broker-dealer but where the securities bought or the funds from the securities sold are deposited (settled) into a Schwab account. These fees are in addition to the commissions or other compensation you pay the executing broker-dealer. In order to minimize trading costs, ID Advisers will use Schwab to execute trades for your account if ID Advisers believes it is in your best interest to do so.

Products and Services Available to Us from Schwab

Schwab Advisor Services is Schwab's business serving independent investment advisory firms like ID Advisers. They provide ID Advisers and our clients with access to its institutional brokerage – trading, custody, reporting and related services – many of which are not typically available to Schwab retail customers. Schwab also makes available various support services. Some of those services help us manage or administer our clients' accounts while others help us

manage and grow our business. Schwab's support services generally are available on an unsolicited basis (*i.e.*, ID Advisers does not have to request them) and at no charge to us as long as we keep a total of at least \$10 million of our clients' assets in accounts at Schwab. Below is a detailed description of Schwab's support services:

Schwab Services that Benefit You. Schwab's institutional brokerage services include access to a broad range of investment products, execution of securities transactions, and custody of client assets. The investment products available through Schwab include some to which we might not otherwise have access or that would require a significantly higher minimum initial investment by our clients. Schwab's services described in this paragraph generally benefit you and your account.

Schwab Services that May Not Directly Benefit You. Schwab also makes available to us other products and services that benefit us but may not directly benefit you or your account. These products and services assist ID Advisers in managing and administering our clients' accounts. They include investment research, both Schwab's own and that of third parties. ID Advisers may use this research to service all, some or a substantial number of our clients' accounts. In addition to investment research, Schwab also makes available software and other technology that:

- provide access to client account data (such as duplicate trade confirmations and account statements);
- facilitate trade execution and allocate aggregated trade orders for multiple client accounts;
- provide pricing and other market data;
- facilitate payment of our fees from our clients' accounts; and
- assist with back-office functions, recordkeeping and client reporting.

Schwab Services that Generally Benefit Only Us. Schwab also offers other services intended to help us manage and further develop our business enterprise. These services include:

- educational conferences and events;
- technology, compliance, legal, and business consulting;
- publications and conferences on practice management and business succession; and
- access to employee benefits providers, human capital consultants and insurance providers.

Schwab may provide some of these services itself. In other cases, it will arrange for third-party vendors to provide the services to us. Schwab also may discount or waive its fees for some of these services or pay all or a part of a third party's fees. In addition, Schwab may provide ID Advisers with other benefits such as occasional business entertainment of our personnel.

Other potential benefits to ID Advisers include occasional business entertainment of personnel of ID Advisers by Schwab Advisor Services personnel, including meals, invitations to sporting events, including golf tournaments, and other forms of entertainment, some of which may accompany educational opportunities. Schwab makes available, arranges and/or pays vendors

for products and services rendered to ID Advisers by independent third parties (such as Morningstar, Envestnet and other IT Vendors). While, as a fiduciary, ID Advisers endeavors to act in its clients' best interests, ID Advisers' recommendation/requirement that clients maintain their assets in accounts at Schwab can be based in part on the benefit to ID Advisers of the availability of some of the foregoing products and services and other arrangements and not solely on the nature, cost or quality of custody and brokerage services provided by Schwab, which creates a potential conflict of interest.

ID Advisers' Interest in Schwab's Services

The availability of these services from Schwab benefits us because ID Advisers does not have to produce or purchase them. ID Advisers does not have to pay for Schwab's services so long as we keep a total of at least \$10 million of client assets in accounts at Schwab. The \$10 million minimum may give ID Advisers an incentive to recommend that you maintain your account with Schwab based on our interest in receiving Schwab's services that benefit our business rather than based on your interest in receiving the best value in custody services and the most favorable execution of your transactions. This is a potential conflict of interest.

ID Advisers believes, however, that our selection of Schwab as custodian/broker is in the best interests of our clients. It is primarily supported by the scope, quality and price of Schwab's services (based on the factors discussed above – see *"How We Select Custodians/Brokers"*) and not Schwab's services that benefit only us. We do not believe that maintaining at least \$10 million in assets at Schwab in order to avoid paying Schwab quarterly service fees presents a material conflict of interest.

Please refer to Item 14 for further information regarding trading and compensation pertaining to the arrangements ID Advisers has with Schwab.

Fidelity Services

ID Advisers has an arrangement with National Financial Services LLC, and Fidelity Brokerage Services LLC (together with all affiliates, "Fidelity") through which Fidelity provides ID Advisers with Fidelity's "platform" services. The platform services include, among others, brokerage, custodial, administrative support, record keeping and related services that are intended to support intermediaries like ID Advisers in conducting business and in serving the best interests of their clients, but also benefit ID Advisers. Platform services are provided at no cost to ID Advisers.

Fidelity charges brokerage commissions and transaction fees to clients for effecting certain securities transactions (i.e., transactions fees are charged for certain no-load mutual funds, commissions are charged for individual equity and debt securities transactions). Fidelity enables ID Advisers to obtain many no-load mutual funds without transaction charges and other no-load funds at nominal transaction charges. Fidelity's commission rates are generally considered discounted from customary retail commission rates. However, the commissions and transaction fees charged by Fidelity may be higher or lower than those charged by other custodians and broker-dealers.

As a result of receiving services for no additional cost, ID Advisers has an incentive to continue to use or expand the use of Fidelity's services. ID Advisers has examined this potential conflict of interest when we chose to enter into the relationship with Fidelity and believes that the relationship is in the best interests of clients and satisfies our obligations to clients, including our duty to seek best execution. See further information on best execution below.

TD Ameritrade Custodian Arrangement

ID Advisers participates in the TD Ameritrade Institutional program. TD Ameritrade Institutional is a division of TD Ameritrade, Inc. ("TD Ameritrade"), member FINRA/SIPC/NFA. TD Ameritrade is an independent and unaffiliated SEC-registered broker-dealer. TD Ameritrade offers to independent investment advisers certain services which include custody of securities, trade execution, clearance and settlement of transactions. ID Advisers receives some benefits from TD Ameritrade through its participation in the program, which are very similar to the Schwab custodian arrangement outline above.

Clients in Robo-Adviser Programs

Under each robo-adviser program, the trading is performed by the sponsor of the program. Please refer to the disclosure documents for the respective robo-adviser for further information.

B. Best Execution

As stated above, ID Advisers' general policy is to place client trades with their broker custodian (e.g., Schwab, Fidelity or TD Ameritrade), with the exception of Prime Broker transactions, and ID Advisers will continue to do so as long as the Firm believes that the broker custodian is providing the best overall deal for the client and they remain competitive in relation to executions and the cost of each transaction ("best execution").

Although ID Advisers will strive to achieve the best execution possible for client securities transactions, this does not require it to solicit competitive bids and ID Advisers does not have an obligation to seek the lowest available commission cost. In seeking best execution, the determinative factor is not the lowest possible cost, but whether the transaction represents the overall best qualitative execution, taking into consideration the full range of a broker-dealer's services, including among other things, the value of research provided, execution capability, commission rates, and responsiveness. Consistent with the foregoing, while ID Advisers will seek competitive rates, it may not necessarily obtain the lowest possible commission rates for client transactions. ID Advisers is not required to negotiate "execution only" commission rates, thus the client may be deemed to be paying for research and related services (i.e., "soft dollars") provided by the broker which are included in the commission rate.

To ensure that custodian/brokers recommended by ID Advisers are conducting overall best qualitative execution, ID Advisers will periodically (and no less often than annually) evaluate the trading process and custodian/brokers utilized. ID Advisers' evaluation will consider the full range of brokerage services offered by the custodian/brokers, which can include, but is not limited to price, commission, timing, research, aggregated trades, capable floor brokers or traders, competent block

trading coverage, ability to position, capital strength and stability, reliable and accurate communications and settlement processing, use of automation, knowledge of other buyers or sellers and administrative ability.

C. Soft Dollar Considerations

ID Advisers' general policy is to comply with the provisions of Section 28(e) of the Securities Exchange Act of 1934 ("Section 28(e)") when entering into soft dollar arrangements. Section 28(e) recognizes the potential conflict of interest involved in this activity, but generally allows investment advisers to use client commissions to pay for certain research and brokerage products and services under certain circumstances without breaching their fiduciary duties to clients. For these purposes, "research" means services or products used to provide lawful and appropriate assistance to ID Advisers in making investment decisions for its clients. "Brokerage" services and products are those used to effect securities transactions for ID Advisers' clients or to assist in effecting those transactions.

Research and other products and services purchased with soft dollars will generally be used to service all of ID Advisers' clients, but brokerage commissions paid by one client can be used to pay for research that is not used in managing that client's portfolio, as permitted by Section 28(e). In other words, there can be certain client accounts that benefit from the research services, which did not make the payment of commissions to the broker-dealer providing the services.

Brokerage services obtained with soft dollars can include, for example, quotation and communication equipment and services, other order management systems that provide trading software or provide connectivity to such software, trade analysis software, on-line pricing services, communication services relating to execution, clearing and settlement and message services used to transmit orders.

Research and related services furnished by brokers can include, but are not limited to, written information and analyses concerning specific securities, companies or sectors; market, financial and economic studies and forecasts; financial publications; recommendations as to specific securities; portfolio evaluation services; financial database software and services; computerized news, pricing and statistical services; and discussions with research personnel, along with hardware, software, data bases and other technical and telecommunication services and equipment utilized in the investment management process. Research received by ID Advisers under such soft dollar arrangements can include both proprietary research (created or developed by the broker-dealer) and research created or developed by a third party.

For cases when ID Advisers receives both non-research (*e.g.*, administrative, accounting or technology services, etc.) and research benefits from the services provided by broker-dealers. If and when this happens, ID Advisers will make a good faith allocation between the non-research and research portion of the services received, and will pay "hard dollars" (*i.e.*, ID Advisers will pay from their own monies) for the non-research portion. In making a good faith allocation between research services and non-research services, a conflict of interest exists by reason of ID Advisers' allocation of the costs of such services and benefits between those that primarily benefit ID Advisers and those that primarily benefit clients. ID Advisers strives to always put the client's interests first.

As stated above, ID Advisers recommends that clients establish brokerage accounts with Schwab, Fidelity or TD Ameritrade to maintain custody of clients' assets and to effect trades for their accounts. Schwab, Fidelity and TD Ameritrade are SEC-registered broker-dealers and members of FINRA and SIPC. While there is no direct link between the investment advice given to clients and ID Advisers' recommendation to use the custodial or brokerage services of Schwab, Fidelity or TD Ameritrade, certain benefits are received by ID Advisers due to this arrangement, as outlined above.

D. Directed Brokerage

Currently, ID Advisers does not accept client directed brokerage arrangements.

E. Trade Order Aggregation and Allocation

There are times when ID Advisers determines that it is appropriate to attempt to execute trade orders for certain clients as one or more block trades, which is also known as "aggregating" the trades. Generally, ID Advisers will aggregate client trade orders, including proprietary (employee) accounts that are trading in the same security at the same time, if in our judgment such aggregation would be in the best interests of those participating in the aggregated order. Upon execution, all clients participating in the aggregated trade will receive the same price. If the order is only partially filled, ID Advisers will usually allocate the securities traded among clients on a pro rata basis. ID Advisers maintains written policies and procedures covering the aggregation and allocation of transactions.

F. Allocation of Investment Opportunities in Private Funds

ID Advisers, from time to time, recommends investments in Private Funds to certain ID Advisers clients. Such investments are usually available only to a limited number of sophisticated investors that meet the definitions of "accredited investor" under Regulation D of the Securities Act of 1933, as amended (the "Securities Act") and/or "qualified client" under the Investment Advisers Act of 1940. Additionally, Private Funds are considered "limited offerings", since they only accept a limited amount of funds for investment.

When determining which clients should receive a recommendation to invest in a Private Fund, ID Advisers considers a number of factors, including but not limited to a client's sophistication and qualification, investment objectives, risk levels, along with the amount of available cash in a client's accounts. ID Advisers' strives to allocate in a fair and balanced manner; however, given these differing factors and the fact that Private Funds are limited offerings, the allocation of investment opportunities in Private Funds to ID Advisers clients is subjective and not all qualifying clients will be provided an investment opportunity.

Additionally, there are times when ID Advisers Associated Persons invest in certain Private Funds that are recommended to clients. When this occurs, a conflict exists, which is addressed by requiring the Associated Person to obtain written approval from the CCO prior to investing.

It is important that qualifying clients receiving a recommendation to invest in a Private Fund read the offering or private placement memorandum prior to investing to fully understand the risks and conflicts pertaining to the Private Fund investment.

ITEM 13: REVIEW OF ACCOUNTS

A. Periodic Reviews

Client accounts are monitored on an ongoing basis. Periodically, reviews are conducted by ID Advisers to check for consistency with the investment strategy implemented in accordance with the parameters set forth by the client and the client's financial plan, and to determine if any adjustments need to be made. Client account reviews occur at least annually or upon request by the client.

B. Other Reviews and Triggering Factors

In addition to the periodic reviews described above, reviews may be triggered when a client notifies the Firm of changes in his/her personal, tax or financial status. Other events that may trigger a review of an account are material changes in market conditions as well as macroeconomic and company-specific events. Clients are encouraged to notify ID Advisers and its representatives of any changes in their personal financial situation that might affect their investment needs, objectives, risk tolerance, tax status, time horizon or other material information ID Advisers may have relied upon during the course of providing its services.

C. Regular Reports

Written brokerage statements are generated no less than quarterly and are sent directly from the account custodian or carrier. These reports list the account positions, activity in the account over the covered period, and other related information. In addition to the regular statements clients receive from their custodian, during certain client reviews, ID Advisers uses additional reports concerning relevant account and/or market-related information as well as an inventory of account holdings and account performance, as agreed to with the client. Clients are encouraged to compare the reports received from ID Advisers to the statements sent by the account custodian and other third parties.

Written performance reports, portfolio structure evaluations, cash flows and related reporting is provided regularly to financial planning clients. ID Advisers will provide certain account and/or performance reports to clients upon request.

ITEM 14: CLIENT REFERRALS AND OTHER COMPENSATION

A. Incoming Referrals

ID Advisers, from time to time, will enter into agreements with individuals and organizations, some of whom will be affiliated or unaffiliated with ID Advisers that refer clients to the Firm. All such agreements will be in writing and comply with the applicable state and federal

regulations. If a client is introduced to ID Advisers by a solicitor, ID Advisers will typically pay that solicitor a fee in accordance with the applicable federal and state securities law requirements. While the specific terms of each agreement may differ, generally, the compensation will be based upon the percentage of fees paid to ID Advisers by such clients. Any such fee shall be paid solely from ID Advisers' fees and shall not result in any additional charge to the client.

Each prospective client who is referred to ID Advisers under such an arrangement will receive a copy of the Firm's ADV Part 2A and a separate written disclosure document disclosing the nature of the relationship between the third-party solicitor and ID Advisers and the amount of compensation that will be paid by ID Advisers to the third party. The CCO will supply each solicitor with a current copy of the Solicitor Disclosure Statement and ID Advisers' Form ADV Part 2A (the "Disclosure Brochure") and any amendments thereto for reference and delivery by the solicitor to all prospective clients solicited on behalf of ID Advisers. ID Advisers is responsible for overseeing that the prospective client received those documents and for maintaining all required records relating to solicitation arrangements entered into by the Firm.

B. Referring Clients to Third Parties

From time to time ID Advisers will refer a client to an unaffiliated third-party professional, such as an attorney or accountant. ID Advisers receives permission from the client prior to sharing any client information with such third-parties in accordance with the Firm's privacy policies. ID Advisers does not receive any direct or indirect compensation for these referrals.

C. Other Compensation

As more fully explained in Item 12.B, above, ID Advisers is provided with an economic benefit through its receipt of soft dollars in accordance with Section 28(e) of the Securities Exchange Act of 1934. The Firm can enter into these "soft dollar" arrangements whereby brokerage transactions are directed to certain broker-dealers in return for investment research products and/or services which assist ID Advisers in its investment decision-making process. The receipt of such services can be perceived to serve as an economic benefit to the Firm, and although customary, these arrangements give rise to potential conflicts of interest, including the incentive to allocate securities transactional business to broker-dealers based on the receipt of such benefits rather than on a client's interest in receiving most the favorable execution. To mitigate this potential conflict of interest, and as part of ID Advisers' fiduciary duty to its clients, the Firm endeavors at all times to put the interest of the clients first.

As stated in Item 10, above, certain individuals of the Firm are also licensed insurance agents, registered representatives with IAA, and have other outside business activities. These activities create conflicts of interest, which are further disclosed in Items 4, 5, 6, 8, 10 & 13 above, and also in each IAR's Form ADV Part 2B (Supplemental Disclosure Brochure), along with information on how ID Advisers addresses such conflicts.

From time to time, ID Advisers' Associated Persons attend or hold sponsored events, the expenses of which are borne either partially or entirely by a third-party entity, such as a mutual

fund company or other financial industry service provider. Representatives of these third-party entities are usually also present at these sponsored events with ID Advisers compensating these individuals for their attendance. From time to time, representatives of various investment firms may sponsor a meal to apprise representatives of ID Advisers of product developments or changes. The fact that these events are paid for by third parties creates a conflict of interest because it gives ID Advisers an incentive to recommend and/or invest clients' assets in the investment products of these third parties (e.g. mutual funds) or utilize the third-party firm to provide services to ID Advisers clients. To address the conflict, the Associated Person must obtain pre-approval from the President and Chief Compliance Officer prior to accepting any sponsorships from third parties and prior to compensating or sponsoring third parties.

ITEM 15: CUSTODY

Pursuant to the Investment Advisers Act of 1940, ID Advisers is deemed to have "constructive custody" of client funds because the Firm has the authority and ability to debit its fees directly from the accounts of those clients receiving ID Advisers' Investment Management Services. To mitigate any potential conflicts of interest, all client assets are actually maintained with an independent qualified custodian. In some cases a client's broker-dealer also may act as the custodian of the client's assets for little or no extra cost.

In some cases, clients wish to grant ID Advisers the limited power to disburse funds to one or more third parties as specifically designated by the client via a signed Standing Letter of Authorization "SLOA". After granting the investment adviser this limited authorization, the client then instructs the qualified custodian for the client's account to accept the investment adviser's direction on the client's behalf to move money to the third party designated by the client on the SLOA. The investment adviser is authorized to act merely as an agent for the client. The client retains full power to change or revoke the arrangement. Because ID Advisers enters into such arrangements with its clients, we therefore have custody of client assets and are required to comply with the Custody Rule under Rule 206(4)-2 requiring investment advisers to obtain a surprise examination, except where it acts pursuant to such an arrangement under the following circumstances:

1. The client provides an instruction to the qualified custodian, in writing, that includes the client's signature, the third party's name, and either the third party's address or the third party's account number at a custodian to which the transfer should be directed.
2. The client authorizes the investment adviser, in writing, either on the qualified custodian's form or separately, to direct transfers to the third party either on a specified schedule or from time to time.
3. The client's qualified custodian performs appropriate verification of the instruction, such as a signature review or other method to verify the client's authorization, and provides a transfer of funds notice to the client promptly after each transfer.
4. The client has the ability to terminate or change the instruction to the client's qualified custodian.
5. The investment adviser has no authority or ability to designate or change the identity of the third party, the address, or any other information about the third party contained in the client's instruction.

6. The investment adviser maintains records showing that the third party is not a related party of the investment adviser or located at the same address as the investment adviser.
7. The client's qualified custodian sends the client, in writing, an initial notice confirming the instruction and an annual notice reconfirming the instruction.

At this time, ID Advisers complies with all seven conditions and therefore is not required to comply with the Custody Rule's annual surprise exam requirement.

When exercising its discretionary authority, ID Advisers may only implement its investment management recommendations after the client has arranged for and furnished the Firm with all information and authorization regarding its accounts held at the designated qualified custodian.

Clients will receive statements on at least a quarterly basis directly from the qualified custodian that holds and maintains their assets. Clients are urged to carefully review all custodial statements and compare them to the statements provided by other third parties. Statements sent by third-parties may vary from custodial statements based on accounting procedures, reporting dates, or valuation methodologies of certain securities. Please refer to Item 12 for additional important disclosure information relating to ID Advisers' relationship with broker-dealer custodians.

If funds or securities are inadvertently received by ID Advisers, they are returned to the sender immediately or as soon as practical.

In regard to the Invictus Fund, ID Advisers does not provide investment advisory services and has no authority to withdraw any of the Fund's assets at any time or under any circumstances. Mr. Jason Labrum and Mr. Alex Klingensmith do have indirect authority since they are partial owners and co-Managing Members of the Fund's Managing Member, RE Partners. Importantly, as outlined in the Invictus Fund's offering documents, the Fund obtains audits of its financials annually by an accounting firm that is registered with and subject to inspection by the Public Company Accounting Oversight Board (PCAOB), and the audited financial statements are distributed to all investors in the Invictus Fund within 120 days of the Fund's fiscal year end.

ITEM 16: INVESTMENT DISCRETION

For ID Advisers' Investment Management Services, the Firm has discretionary authority to determine, without first obtaining client's permission for each transaction: 1) the type of securities to be bought and sold, 2) the dollar amounts of the securities to be bought and sold, and 3) whether a client's transaction should be combined with those of other clients and traded as a "block." The Firm's clients grant ID Advisers this discretionary authority by signing the Firm's Investment Advisory Agreement.

For clients that are receiving Financial Planning & Consulting Services on a non-discretionary basis, ID Advisers will make recommendations to the client regarding the purchase or sale of securities or other assets that they consider to be in the best interest of the client. The client has full discretion to accept or reject the Firm's recommendations and is responsible for implementing any accepted recommendations with any broker-dealer the client chooses.

ITEM 17: VOTING CLIENT SECURITIES

ID Advisers' policy and practice is to not vote proxies on behalf of its clients. Therefore, the Firm shall have no obligation or authority to take any action or render any advice with respect to the voting of proxies solicited by or with respect to issuers of securities held in a client's account, unless the account is an ERISA account and such authority has not been delegated to another named fiduciary in the plan's written documents. Consequently, the client retains the responsibility for receiving and voting all proxies for securities held within the client's account. ID Advisers will not be deemed to have proxy voting authority solely as a result of providing advice or information about a particular proxy vote to a client.

ID Advisers does not advise or act for clients with respect to any legal matters, including bankruptcies and class actions, for the securities held in clients' accounts.

ITEM 18: FINANCIAL INFORMATION

ID Advisers does not require or solicit prepayment of more than \$1,200 in fees per client, six months or more in advance and therefore is not required to provide, and has not provided, a balance sheet. ID Advisers does not have any financial commitments that impair its ability to meet contractual and fiduciary obligations to clients, and has not been the subject of a bankruptcy proceeding.