



## **FNZ Advisers LLC**

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### **PART 2A - APPENDIX 1 WRAP-FEE PROGRAM BROCHURE**

This brochure provides information about the qualifications and business practices of FNZ Advisers LLC. If you have any questions about the contents of this brochure, contact us at 800-516-0851. The information in this brochure has not been approved or verified by the United States Securities and Exchange Commission or by any state securities authority.

Additional information about FNZ Advisers LLC is available on the SEC's website at [www.adviserinfo.sec.gov](http://www.adviserinfo.sec.gov).

FNZ Advisers LLC is a registered investment adviser. Registration with the United States Securities and Exchange Commission or any state securities authority does not imply a certain level of skill or training.

## **Item 2 Summary of Material Changes**

Form ADV Part 2 requires registered investment advisers to amend their brochure when information becomes materially inaccurate. If there are any material changes to an adviser's disclosure brochure, the adviser is required to notify you and provide you with a description of the material changes.

Since the filing of our last annual updating amendment, dated March 29, 2022, there are no other material changes.

- We have changed our business name from YieldX Advisers LLC to FNZ Advisers LLC.

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## Item 4 Services, Fees, and Compensation

### Description of Firm

FNZ Advisers LLC is a registered investment adviser primarily based in New York, NY. We are organized as a limited liability company ("LLC") under the laws of the State of Delaware. We have been providing investment advisory services since 01/15/2020. We are primarily owned by YieldX Inc.

We are indirectly owned by Generation Investment Management LLP and Carisse de depot et placement du Quebec (CDPQ).

As used in this brochure, the words "we," "our," and "us" refer to FNZ Advisers LLC and the words "you," "your," and "client" refer to you as either a client or prospective client of our firm. Also, you may see the term Associated Person in this brochure. Our Associated Persons are our firm's officers, employees, and all individuals providing investment advice on behalf of our firm.

We offer web-based investment advisory services through two options: You may pay a monthly subscription fee for access to analytics and portfolio construction tools. Clients may also choose to execute their portfolios through our wrap-fee program ("Program") as described in this wrap-fee program brochure to prospective and existing clients. We are the sponsor and investment adviser for the Program. A wrap-fee program is a type of investment program that provides clients with asset management and brokerage services for one all-inclusive fee. If you participate in our wrap-fee program, you will pay our firm a single fee, which includes money management fees, certain transaction costs, and custodial and administrative costs. You are not charged separate fees for the respective components of the total services. We receive a portion of the wrap-fee for our services. The overall cost you will incur if you participate in our wrap-fee program may be higher or lower than you might incur by separately purchasing the types of securities available in the Program.

Prior to becoming a client under the Program, you will be required to enter into a separate written agreement with us that sets forth the terms and conditions of the engagement and describes the scope of the services to be provided, and the fees to be paid.

### Client Investment Process

We offer non-discretionary investment advisory services that are delivered through an automated and interactive web-based investment management system. If you participate in our discretionary portfolio management services, we require you to grant our firm discretionary authority to manage your account. Subject to a grant of discretionary authorization, we have the authority and responsibility to formulate investment strategies on your behalf. Discretionary authorization will allow us to determine the specific securities, and the amount of securities, to be purchased or sold for your account without obtaining your approval prior to each transaction. We will also have discretion over the broker or dealer to be used for securities transactions, and over the commission rates to be paid. Discretionary authority is typically granted by the investment advisory agreement you sign with our firm and/or through trading authorization forms. You may limit our discretionary authority (for example, limiting the types of securities that can be purchased for your account) by providing our firm with your restrictions and guidelines in writing.

If you enter into non-discretionary arrangements with our firm, we must obtain your approval prior to executing any transactions on behalf of your account. You have an unrestricted right to decline to implement any advice provided by our firm on a non-discretionary basis.

The investment advice rendered under is tailored to meet with your individual investment needs and objectives and is delivered exclusively based upon information you submit via a web-based investment questionnaire. Your responses to the electronic investment questionnaire are used by the web-based

system to provide the appropriate recommendations based on your risk profile. After submission of the online investment questionnaire, the web-based system will provide automated recommendations to you. It is then your responsibility to act on any such advice. Should a client want to enter the wrap fee program, they can elect to execute their platform generated portfolio and the program will automatically process the transaction. In providing investment advisory services through the system, all information will be provided through the web-based portal. Our firm does not verify any information we receive from you or your agent(s) for accuracy, and we will rely on the information you provide. It is your responsibility to promptly update your account application through the web-based portal if there are ever any changes in your financial situation or investment objectives.

We will periodically monitor your investments, and based on different client risk profiles, we may recommend changes (if appropriate) through the web-based system based on your particular risk profile.

Assets for program accounts are held at Apex Clearing Corporation as custodian. Apex also acts as executing broker/dealer for transactions placed in Program accounts, and provides other administrative services as described throughout this Brochure. To compare the cost of the wrap-fee program with non-wrap-fee portfolio management services, you should consider the frequency of trading activity associated with our investment strategies and the brokerage commissions charged by Apex and the advisory fees charged by investment advisers.

### **Changes in Your Financial Circumstances**

In providing the contracted services, we are not required to verify any information we receive from you or from your other professionals (e.g., attorney, accountant, etc.) and we are expressly authorized to rely on the information you provide. Furthermore, unless you indicate to the contrary, we shall assume that there are no restrictions on our services, other than to manage your account in accordance with your designated investment objectives, risk tolerance, and time horizon (collectively, "investment parameters"). It is your responsibility to promptly notify us if there are ever any changes in your financial situation or investment parameters for the purpose of reviewing, evaluating, and/or revising our previous recommendations and services.

### **The Program Fee**

Currently, we have two plan options under the Program. We charge an upfront subscription fee range of \$50-\$150 per month for access which is limited to analytics and portfolio construction tools. For clients that opt to use our execution services, they will pay an annual asset-based fee range of 0.05% to 0.50% for participation in the program depending upon a percentage of the funds invested in a Fixed Income security portfolio including corporate bonds, ETFs and closed-end funds. Please refer to your contract for specific fees. Our firm pays all trade expenses of trades placed on your behalf unless otherwise disclosed in this brochure or via a separate document.

Clients pay subscriptions fees via an automatic electronic transfer from your bank. Clients enrolled in the wrap-fee program pay advisory fees via a deduction from their account through a qualified custodian. With respect to clients enrolled in the wrap-fee program, we will deduct our advisory fee only when you have given our firm written authorization permitting the fees to be paid directly from your account. Further, the qualified custodian will deliver an account statement to you at least quarterly. These account statements will show all disbursements from your account. You should review all statements for accuracy.

Our agreement for services will continue in effect until terminated by either party. You may terminate the investment advisory agreement upon written notice to our firm. In the event the investment advisory agreement is terminated, any fees that have not been paid in advance and are due and not paid will be deducted from the applicable account of the client, or if insufficient funds are available in the user account, the client will be billed immediately with payment due at time of receipt.

As a client, you should be aware that the wrap-fee charged by our firm may be higher (or lower) than those charged by others in the industry, and that it may be possible to obtain the same or similar services from other firms at lower (or higher) rates. A client may be able to obtain some or all of the types of services available through our firm's wrap-fee program on an individual basis through other firms and, depending on the circumstances, the aggregate of any separately paid fees may be lower or higher than the annual fees shown above.

### **Withdrawal of Assets**

You may withdraw account assets on notice to our firm, and subject to the usual and customary securities settlement procedures. However, we design our portfolios as long-term investments and asset withdrawals may impair the achievement of your specific investment objectives.

### **Payment of Fees**

We will deduct our wrap-fee program fee directly from your account through the qualified custodian holding your funds and securities. We will deduct our advisory fee only when you have given our firm written authorization permitting the fees to be paid directly from your account. Further, the qualified custodian will deliver an account statement to you at least quarterly. These account statements will show all disbursements from your account. You should review all statements for accuracy.

### **Termination of Advisory Relationship**

You may terminate the wrap-fee program agreement upon 30 days' written notice to our firm. You will incur a pro-rata charge for services rendered prior to the termination of the wrap-fee program agreement, which means you will incur advisory fees only in proportion to the number of days in the quarter for which you are a client. If you have pre-paid advisory fees that we have not yet earned, you will receive a prorated refund of those fees.

Upon termination of accounts held at Apex Clearing Corporation, they will deliver securities and funds held in the account per your instructions unless you request that the account be liquidated. After the wrap-fee program agreement has been terminated, transactions are processed at the prevailing brokerage rates/fees. You become responsible for monitoring your own assets and our firm has no further obligation to act upon or to provide advice with respect to those assets.

### **Other Compensation and Conflicts of Interest**

FNZ Advisers LLC may enter into agreements with various online banks where FNZ Advisers LLC charges a license fee for access to FNZ Advisers LLC technologies. FNZ Advisers LLC will receive revenue from online banks on either an annual or "per click" fee for using application technologies.

### **Wrap-fee Program Disclosures**

- The benefits under a wrap-fee program depend, in part, upon the size of the Account, the management fee charged, and the number of transactions likely to be generated in the Account. For example, a wrap-fee program may not be suitable for Accounts with little trading activity. In order to evaluate whether a wrap fee program is suitable for you, you should compare the Program Fee and any other costs of the Program with the amounts that would be charged by other advisers, broker-dealers, and custodians, for advisory fees, brokerage and other execution costs, and custodial services comparable to those provided under the Program.
- In considering the investment programs described in this brochure, you should be aware that

participating in a wrap fee program may cost more or less than the cost of purchasing advisory, brokerage, and custodial services separately from other advisers or broker-dealers.

- Our firm and Associated Persons receive compensation as a result of your participation in the Program. This compensation may be more than the amount our firm or the Associated Persons would receive if you paid separately for investment advice, brokerage, and other services. Accordingly, a conflict of interest exists because our firm and our Associated Persons have a financial incentive to recommend the Program.
- Similar advisory services may be available from other registered investment advisers for lower fees.

### **Additional Fees And Expenses**

The Program Fee includes the costs of brokerage commissions for transactions executed through the Qualified Custodian (or a broker-dealer designated by the Qualified Custodian), and charges relating to the settlement, clearance, or custody of securities in the Account. The Program Fee does not include mark-ups and mark-downs, dealer spreads or other costs associated with the purchase or sale of securities, interest, taxes, or other costs, such as national securities exchange fees, charges for transactions not executed through the Qualified Custodian, costs associated with exchanging currencies, wire transfer fees, or other fees required by law or imposed by third parties. The Account will be responsible for these additional fees and expenses.

The wrap program fees that you pay to our firm for portfolio management services are separate and distinct from the fees and expenses charged by mutual funds or exchange traded funds (described in each fund's prospectus) to their shareholders. These fees will generally include a management fee and other fund expenses. To fully understand the total cost you will incur, you should review all the fees charged by mutual funds, exchange traded funds, our firm, and others.

### **Brokerage Practices**

If you participate in the Wrap-Fee Program, you will be required to establish an account with Apex Clearing Corporation.

### **Research and Other Soft Dollar Benefits**

We do not have any soft dollar arrangements.

### **Economic Benefits**

As a registered investment adviser, we have access to the institutional platform of your account custodian. As such, we will also have access to research products and services from your account custodian and/or other brokerage firm. These products may include financial publications, information about particular companies and industries, research software, and other products or services that provide lawful and appropriate assistance to our firm in the performance of our investment decision-making responsibilities. Such research products and services are provided to all investment advisers that utilize the institutional services platforms of these firms, and are not considered to be paid for with soft dollars. However, you should be aware that the commissions charged by a particular broker for a particular transaction or set of transactions may be greater than the amounts another broker who did not provide research services or products might charge.

### **Brokerage for Client Referrals**

We do not receive client referrals from broker-dealers in exchange for cash or other compensation, such as brokerage services or research.

## **Assets Under Management**

As of 12/31/2022, we provide continuous management services for \$105,000,000 in client assets on a discretionary basis.

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

We offer investment advisory services to investment companies, other pooled investment vehicles, institutional investors, public and private companies and investment advisers. We also provide services to individual investors.

In general, we require a minimum of \$25,000 to open and maintain an advisory account. At our discretion, we may waive this minimum account size. For example, we may waive the minimum if you appear to have significant potential for increasing your assets under our management.

We charge a minimum "annual" fee in the amount of \$10 per month to open and maintain an advisory account. At our discretion we may waive the minimum fee.

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

We are the sponsor and sole portfolio manager for the Program. Refer to *Services, Fees, and Compensation* for additional disclosures on costs associated with your participation in the Program.

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

We do not accept performance-based fees or participate in side-by-side management. Performance-based fees are fees that are based on a share of capital gains or capital appreciation of a client's account. Side-by-side management refers to the practice of managing accounts that are charged performance-based fees while at the same time managing accounts that are not charged performance-based fees. Our fees are calculated as described above, and are not charged on the basis of a share of capital gains upon, or capital appreciation of, the funds in your advisory account.

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

FNZ Advisers LLC uses algorithms to advise clients and manage their accounts. These algorithms are developed, overseen, and monitored by FNZ Advisers LLC's investment advisory personnel. When clients sign up for managed portfolios or target-income portfolios, an algorithm, developed by FNZ Advisers LLC investment advisory personnel, determines suitable recommended investment portfolio (a "Portfolio") based on inputs from client. These algorithms may not perform as intended for a variety of reasons, including but not limited to incorrect assumptions, changes in the market, and/or changes to data inputs. FNZ Advisers LLC may modify periodically these algorithms, or a computer system's code or underlying assumptions, and these changes may have unintended consequences. Each Portfolio is associated with a target allocation of investment types and/or asset classes represented by individual ETFs, closed-end funds and corporate bonds. FNZ Advisers LLC may change the specific securities that comprise a particular Portfolio without notice to clients. FNZ Advisers LLC Target-income funds currently offers portfolios to clients using a pool of 60 ETFs as building blocks. The portfolios vary by both the mix of assets and the inclusion or exclusion of certain asset classes within the portfolio. Investors are assigned a portfolio based on their personalized information. The underlying holdings in an ETF may represent U.S. and non-U.S. equity securities (including emerging market securities and real estate securities), U.S. The FNZ Advisers LLC interface allows analysis and investment in over 4,000 closed-end funds, corporate bonds and ETFs but any "product" offered as a managed fund allocates to a specific, approved list of securities as determined by the FNZ Advisers LLC investment advisory personnel.



For Corporate Clients, FNZ Advisers LLC manages the client's account, on a discretionary basis, consistent with the investment objectives, guidelines and restrictions in such Client's Investment Management Agreement.

Particularly in a downward market where your account has lost value, the portion of your paycheck derived from your portfolio may consist, all or in part, of a return of your original capital. Frequent withdrawals of your original capital to meet your paycheck amount may deplete the assets in your account and cause you to not have sufficient retirement assets. Accordingly, you should recalculate your target-income amount received via YieldX Advisers, LLC planning tools at least annually to make sure that your income amount can be sustained over time.

We may use one or more of the following methods of analysis or investment strategies when providing investment advice to you:

**Charting Analysis** - involves the gathering and processing of price and volume pattern information for a particular security, sector, broad index, or commodity. This price and volume pattern information is analyzed. The resulting pattern and correlation data is used to detect departures from expected performance and diversification and predict future price movements and trends.

**Risk:** Our charting analysis may not accurately detect anomalies or predict future price movements. Current prices of securities may reflect all information known about the security and day-to-day changes in market prices of securities may follow random patterns and may not be predictable with any reliable degree of accuracy.

**Technical Analysis** - involves studying past price patterns, trends, and interrelationships in the financial markets to assess risk-adjusted performance and predict the direction of both the overall market and specific securities.

**Risk:** The risk of market timing based on technical analysis is that our analysis may not accurately detect anomalies or predict future price movements. Current prices of securities may reflect all information known about the security and day-to-day changes in market prices of securities may follow random patterns and may not be predictable with any reliable degree of accuracy.

**Fundamental Analysis** - involves analyzing individual companies and their industry groups, such as a company's financial statements, details regarding the company's product line, the experience and expertise of the company's management, and the outlook for the company and its industry. The resulting data is used to measure the true value of the company's stock compared to the current market value.

**Risk:** The risk of fundamental analysis is that information obtained may be incorrect and the analysis may not provide an accurate estimate of earnings, which may be the basis for a stock's value. If securities prices adjust rapidly to new information, utilizing fundamental analysis may not result in favorable performance.

**Cyclical Analysis** - a type of technical analysis that involves evaluating recurring price patterns and trends. Economic/business cycles may not be predictable and may have many fluctuations between long-term expansions and contractions.

**Risk:** The lengths of economic cycles may be difficult to predict with accuracy and therefore the risk of cyclical analysis is the difficulty in predicting economic trends and consequently the changing value of securities that would be affected by these changing trends.

**Modern Portfolio Theory (MPT)** - a theory of investment which attempts to maximize portfolio expected return for a given amount of portfolio risk, or equivalently minimize risk for a given level of expected return, by carefully diversifying the proportions of various assets.

**Risk:** Market risk is that part of a security's risk that is common to all securities of the same general class (stocks and bonds) and thus cannot be eliminated by diversification.

**Long-Term Purchases** - securities purchased with the expectation that the value of those securities will grow over a relatively long period of time, generally greater than one year.

**Risk:** Using a long-term purchase strategy generally assumes the financial markets will go up in the long-term which may not be the case. There is also the risk that the segment of the market that you are invested in or perhaps just your particular investment will go down over time even if the overall financial markets advance. Purchasing investments long-term may create an opportunity cost - "locking-up" assets that may be better utilized in the short-term in other investments.

**Short-Term Purchases** - securities purchased with the expectation that they will be sold within a relatively short period of time, generally less than one year, to take advantage of the securities' short-term price fluctuations.

**Risk:** Using a short-term purchase strategy generally assumes that we can predict how financial markets will perform in the short-term which may be very difficult and will incur a disproportionately higher amount of transaction costs compared to long-term trading. There are many factors that can affect financial market performance in the short-term (such as short-term interest rate changes, cyclical earnings announcements, etc.) but may have a smaller impact over longer periods of times.

**Margin Transactions** - a securities transaction in which an investor borrows money to purchase a security, in which case the security serves as collateral on the loan.

**Risk:** If the value of the shares drops sufficiently, the investor will be required to either deposit more cash into the account or sell a portion of the stock in order to maintain the margin requirements of the account. This is known as a "margin call." An investor's overall risk includes the amount of money invested plus the amount that was loaned to them.

Our investment strategies and advice may vary depending upon each client's specific financial situation. As such, we determine investments and allocations based upon your predefined objectives, risk tolerance, time horizon, financial information, liquidity needs, and other various suitability factors. Your restrictions and guidelines may affect the composition of your portfolio.

### **Tax Considerations**

Our strategies and investments may have unique and significant tax implications. However, unless we specifically agree otherwise, and in writing, tax efficiency is not our primary consideration in the management of your assets. Regardless of your account size or any other factors, we strongly recommend that you consult with a tax professional regarding the investing of your assets.

Moreover, custodians and broker-dealers must report the cost basis of equities acquired in client accounts on or after January 1, 2011. Your custodian will default to the FIFO (First-In First-Out) accounting method for calculating the cost basis of your investments. You are responsible for contacting your tax advisor to determine if this accounting method is the right choice for you. If your tax advisor believes another accounting method is more advantageous, provide written notice to our firm

immediately and we will alert your account custodian of your individually selected accounting method. Decisions about cost basis accounting methods will need to be made before trades settle, as the cost basis method cannot be changed after settlement.

### **Risk of Loss**

Investing in financial markets involves risk, including the potential loss of principal. This is a risk borne by each client. FNZ Advisers LLC constructs portfolios with allocations across multiple asset categories principally by using ETF, closed-end funds and individual corporate bonds for market exposure. These asset categories diversification is intended to reduce the volatility in a client's investment portfolio when compared to a single asset category. While a portfolio of investment products representing different asset categories, can mitigate some risks, it does not and cannot prevent possible loss. The performance of FNZ Advisers LLC recommendations and/or investment decisions depend upon market movements and the combination of asset classes selected. There can be no assurance that you will achieve your goals or positive investment performance over any period of time. While it is not possible to enumerate all possible risks, below are some of the common factors that can produce a loss in a client's account:

### **Other Risk Considerations**

When evaluating risk, financial loss may be viewed differently by each client and may depend on many different risks, each of which may affect the probability and magnitude of any potential losses. The following risks may not be all-inclusive, but should be considered carefully by a prospective client before retaining our services.

**ETF Risk:** ETFs are designed to track the performance of a benchmark index. Shareholders are subject to the risks stemming from the individual issuers of the ETF's underlying portfolio securities. Shares of ETFs are listed on securities exchanges and transacted at negotiated prices in the secondary market. Generally, ETF shares trade at or near their most recent net asset value ("NAV"), which is generally calculated at least once daily. However, certain inefficiencies may cause the shares to trade at a premium or discount to their pro rata NAV. There is also no guarantee that an active secondary market for such shares will develop or continue to exist. Therefore, if a liquid secondary market ceases to exist for shares of a particular ETF, a shareholder may have no way to dispose of such shares.

**Market Risk:** The price of a common stock, bond, or mutual fund and/or exchange-traded fund may 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. For example, political, economic and social conditions may trigger market events.

**Fixed Income Risk:** Bonds may "guarantee" return of principal if held to maturity, but any guarantee remains subject to the creditworthiness of the guarantor and, prior to maturity, the bond remains subject to interest rate, inflation and credit risks;

**Foreign and Emerging Markets Risk:** Foreign securities expose the investor to currency risk and political, social and economic risks of the countries in which the securities are domiciled, in addition to the equity or debt nature of the securities involved. Emerging markets securities may be even riskier and more volatile than securities domiciled in developed countries.

**Interest-rate Risk:** Fluctuations in interest rates may cause investment prices to fluctuate. For example, when interest rates rise, yields on existing bonds become less attractive, causing their market values to decline, and the market value of any mutual fund and/or exchange-traded fund holding those bonds.

**Inflation Risk:** When any type of inflation is present, purchasing power may be eroding at the rate of inflation making your investment worth less.

**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 such as mortgage and asset backed securities.

**Real Estate Risk:** Real estate investment trusts or funds are subject to risks of the specific commercial or housing market in which the assets are invested, as well as interest rate risk;

**Small Cap Risk:** Securities tend to be more volatile relative to the overall market.

**Industry Concentration Risk:** These risks are associated with concentration in a particular industry or a particular company within an industry. Concentration in an industry makes your investment more susceptible to trends or events effecting that industry.

**Price Volatility:** The price of an ETF's or other investment product's shares may fluctuate, even significantly, in a short period of time.

**Municipal Securities Risk:** Municipal securities include both general obligation and revenue bonds. General obligation bonds are secured by the issuer's full faith and credit as well as its taxing power for payment of principal or interest. Revenue bonds are payable solely from revenues derived from a specified revenue source, and therefore are subject to the risk that the revenues so derived will not be sufficient to meet interest and/or principal payment obligations. The value of municipal securities may be affected by political changes as well as uncertainties related to legislative developments, the rights of municipal security holders and taxation. Municipal securities and their issuers may be more susceptible to downgrade, default and bankruptcy as a result of periods of economic stress.

**Cybersecurity Risk:** The information and technology systems of FNZ Advisers LLC and its affiliates, as well as of key service providers, including third-party vendors (including Apex), are vulnerable to potential damage or interruption from computer viruses, network failures, computer and telecommunication failures, infiltration by unauthorized persons and security breaches, usage errors by their respective professionals, power outages and catastrophic events such as fires, tornadoes, floods, hurricanes and earthquakes. Thus, your account could be adversely impacted if any of the aforementioned parties is the subject of a cyberattack or other information security event. While many investment advisers are subject to the same or similar risks in respect of their operations, these risks are particularly acute with respect to FNZ Advisers LLC due to FNZ Advisers LLC fundamental dependence on technology.

**Technology Risk:** FNZ Advisers LLC's platform in offering investment advice is fundamentally dependent on technology, including hardware, software and telecommunications systems. FNZ Advisers LLC proprietary software and third-party hardware and software are known to have errors, omissions, imperfections and malfunctions (collectively, "Coding Errors"). FNZ Advisers LLC, however, seeks to reduce the incidence and impact of Coding Errors through a certain degree of internal testing and real-time monitoring and often, with respect to proprietary software, in the software code itself. Coding Errors are often extremely difficult to detect, and, in the case of proprietary software, the difficulty of detecting Coding Errors is exacerbated by the lack of design documents or specifications. FNZ Advisers LLC believes that the testing and monitoring performed on such software will enable it to identify and address those Coding Errors that a prudent person managing a digital investment program would identify and address by correcting the Coding Errors. Despite such testing, monitoring and independent safeguards, Coding Errors may result in, among other things, the generation of unanticipated recommendations, the failure to execute trades in a timely fashion, and/or

the failure to properly gather and organize available data, all of which can and may have adverse (and potentially materially adverse) effects on your account and/or its performance. Clients should assume that Coding Errors and their ensuing risks and impact are an inherent part of investing with a digital investment adviser such as FNZ Advisers LLC. Accordingly, FNZ Advisers LLC does not expect to disclose discovered Coding Errors to clients. Coding Errors in third-party hardware and software are generally entirely outside of the control of FNZ Advisers LLC.

**Operational Risk:** Operational risk is the exposure to the chance of loss arising from shortcomings or failures in internal processes or systems of FNZ Advisers LLC, its affiliates, or Apex, external events impacting those systems, and human error. Trade errors and other operational mistakes ("Operating Errors") occasionally may occur in connection with the management of your accounts. FNZ Advisers LLC has policies and procedures that address identification and correction of Operating Errors. Operating Errors may include, but are not limited to, the following: (i) the placement of orders (either purchases or sales) in excess of the amount of investments intended to trade for an account; (ii) the purchase (or sale) of an investment when it should have been sold (or purchased); (iii) the purchase or sale of an investment not intended for an account; and (iv) incorrect allocations of trades. Operating Errors can also include such as fee calculations, trade recording and settlement, and other matters that are non-advisory in nature. Operating Errors may result in gains or losses or could have no financial impact.

**Algorithm Risk:** The use of algorithms such as the ones underlying the FNZ Advisers LLC target-income and portfolios carries the risk that changes to the algorithm's code, although subject to compliance controls and quality assurance testing, may not have the desired effect with respect to client accounts. While this risk increases if changes to an algorithm are insufficiently tested prior to implementation, even extensively tested changes may not produce the desired effect over time.

**Order Execution Risk:** FNZ Advisers LLC is authorized by each client to place transactions on such client's behalf. FNZ Advisers LLC provides instructions to its unaffiliated broker, Apex, to execute securities transactions as soon as reasonably practical after combining them into larger orders for aggregate transactions including transactions of other account. However, for numerous reasons there could be material delays in the amount of time it takes to provide such instructions or for Apex to execute each transaction. Any delays in placing or executing transactions could reduce, perhaps materially, any profit earned or could cause a material loss.

**Tax Risk:** Rebalancing, liquidations, redemptions, and other changes to your investments available under the FNZ Advisers LLC interface may cause you to recognize taxable gains or losses and any resulting tax liabilities and tax-return filing obligation will be solely your responsibility. FNZ Advisers LLC does not offer tax advice to you and we strongly encourage you to seek the advice of a qualified tax professional.

We recommend various types of securities and we do not primarily recommend one particular type of security over another since each client has different needs and different tolerance for risk. Each type of security has its own unique set of risks associated with it and it would not be possible to list here all of the specific risks of every type of investment. Even within the same type of investment, risks can vary widely. However, in very general terms, the higher the anticipated return of an investment, the higher the risk of loss associated with the investment. A description of the types of securities we may recommend to you and some of their inherent risks are provided below.

Since our investment strategies and advice are based on each client's specific financial situation, the investment advice we provide to you may be different or conflicting with the advice we give to other clients regarding the same security or investment.



## **Proxy Voting**

We will determine how to vote proxies based on our reasonable judgment of the vote most likely to produce favorable financial results for you. Proxy votes generally will be cast in favor of proposals that maintain or strengthen the shared interests of shareholders and management, increase shareholder value, maintain or increase shareholder influence over the issuer's board of directors and management, and maintain or increase the rights of shareholders. Generally, proxy votes will be cast against proposals having the opposite effect. However, we will consider both sides of each proxy issue. Unless we receive specific instructions from you, we will not base votes on social considerations.

In the event you wish to direct our firm on voting a particular proxy, you should contact our main office at the phone number on the cover page of this brochure with your instruction.

Conflicts of interest between you and our firm, or a principal of our firm, regarding certain proxy issues could arise. If we determine that a material conflict of interest exists, we will take the necessary steps to resolve the conflict before voting the proxies. For example, we may disclose the existence and nature of the conflict to you, and seek direction from you as to how to vote on a particular issue; we may abstain from voting, particularly if there are conflicting interests for you (for example, where your account(s) hold different securities in a competitive merger situation); or we will take other necessary steps designed to ensure that a decision to vote is in your best interest and was not the product of the conflict.

We keep certain records required by applicable law in connection with our proxy voting activities. You may obtain information on how we voted proxies and/or obtain a full copy of our proxy voting policies and procedures by making a written or oral request to our firm.

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

In order to provide the Program services, we will share your private information with your account custodian, Apex Clearing Corporation. We may also provide your private information to mutual fund companies and/or private managers as needed. We will only share the information necessary in order to carry out our obligations to you in servicing your account. We share your personal account data in accordance with our privacy policy as described below.

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

Without restriction, you should contact our firm or your advisory representative directly with any questions regarding your Program account. You should contact your advisory representative with respect to changes in your investment objectives, risk tolerance, or requested restrictions placed on the management of your Program assets.

## **Item 9 Additional Information**

### **Disciplinary Information**

We are required to disclose the facts of any legal or disciplinary events that are material to a client's evaluation of our advisory business or the integrity of our management. We do not have any required disclosures under this item.

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

**Arrangements with Affiliated Entities**

We act as the investment adviser to a registered investment company (the "IC"). This creates a conflict of interest because we will receive compensation as your investment adviser through our firm and as the investment adviser to the IC. Except as otherwise required by law for ERISA assets, we do not offset any compensation we receive against fees or expenses you may otherwise pay to us and/or any of our affiliates. Fees charged by the IC are separate and in addition to our advisory fees as disclosed above at *Services, Fees, and Compensation*. You should refer to the prospectus for a complete description of fees, investment objectives, risks and other relevant information associated with investing in the IC.

Certain of our Associated Persons, including executive officers of our firm, may also serve in a control capacity for the IC. The compensation of these Associated Persons may be based, in part, upon the profitability of the IC. Our relationship to the IC may involve sharing or joint compensation, or separate compensation, subject to proper disclosures and the requirements of applicable law.

**Description of Our Code of Ethics**

We strive to comply with applicable laws and regulations governing our practices. Therefore, our Code of Ethics includes guidelines for professional standards of conduct for persons associated with our firm. Our goal is to protect your interests at all times and to demonstrate our commitment to our fiduciary duties of honesty, good faith, and fair dealing with you. All persons associated with our firm are expected to adhere strictly to these guidelines. Persons associated with our firm are also required to report any violations of our Code of Ethics. Additionally, we maintain and enforce written policies reasonably designed to prevent the misuse or dissemination of material, non-public information about you or your account holdings by persons associated with our firm.

Clients or prospective clients may obtain a copy of our Code of Ethics by contacting us at the telephone number on the cover page of this brochure.

**Participation or Interest in Client Transactions**

We act as the investment adviser to a publicly traded mutual fund ("Fund"). We may recommend our funds as part of our advice. This creates a conflict of interest because we will receive compensation as your investment adviser and as the investment adviser to the Fund. Additionally, individuals associated with our firm may buy or sell - for their personal account(s) - investment products identical to those purchased by the Fund. This practice may create a conflict of interest because we have the ability to trade ahead of the Fund and potentially receive more favorable prices than the Fund will receive. To mitigate this conflict of interest, it is our policy that neither our firm nor our Associated Persons shall have priority over the Fund in the purchase or sale of securities.

**Review of Accounts**

The Firm will monitor your accounts on an ongoing basis and will conduct account reviews at least Quarterly, to ensure the advisory services provided to you are consistent with your investment needs and objectives. Additional reviews may be conducted based on various circumstances, including, but not limited to:

- contributions and withdrawals;
- year-end tax planning;
- market moving events;
- security specific events; and/or
- changes in your risk/return objectives.

The individuals conducting reviews may vary from time to time, as personnel join or leave our firm.

We will not provide you with additional or regular written reports. You will receive trade confirmations and monthly or quarterly statements from your account custodian(s).

#### **Client Referrals and Other Compensation**

We do not receive any compensation from any third party in connection with providing investment advice to you nor do we compensate any individual or firm for client referrals.

#### **Aggregated Trades**

We may combine multiple orders for shares of the same securities purchased for advisory accounts we manage (this practice is commonly referred to as "aggregated trading"). We will then distribute a portion of the shares to participating accounts in a fair and equitable manner. The distribution of the shares purchased is typically proportionate to the size of the account, but it is not based on account performance or the amount or structure of management fees. Participants in this wrap program will not pay any portion of the transaction costs in addition to the program fee. Accounts owned by our firm or persons associated with our firm may participate in aggregated trading with your accounts; however, they will not be given preferential treatment.

#### **Trade Errors**

In the event a trading error occurs in your account, our policy is to restore your account to the position it should have been in had the trading error not occurred. Depending on the circumstances, corrective actions may include canceling the trade, adjusting an allocation, and/or reimbursing the account.

#### **Class Action Lawsuits**

We do not determine if securities held by you are the subject of a class action lawsuit or whether you are eligible to participate in class action settlements or litigation nor do we initiate or participate in litigation to recover damages on your behalf for injuries as a result of actions, misconduct, or negligence by issuers of securities held by you.

#### **Financial Information**

Our firm does not have any financial condition or impairment that would prevent us from meeting our contractual commitments to you. We do not take physical custody of client funds or securities, or serve as trustee or signatory for client accounts, and we do not require the prepayment of more than \$1,200 in fees six or more months in advance. Therefore, we are not required to include a financial statement with this brochure.

We have not filed a bankruptcy petition at any time in the past ten years.

### **Item 10 Requirements for State-Registered Advisers**

We are a federally registered investment adviser; therefore, we are not required to respond to this item.