



# ADV PART 2A

## Firm Brochure

## Item 1. Cover Page

CRD# 285967

This brochure provides information about the qualifications and business practices of XY Investment Solutions, LLC (hereinafter “XYPN Invest,” or the “Firm”), as it relates to its Model Portfolio Program. If you have any questions about the contents of this brochure, please contact the Firm at the telephone number listed below. The information in this brochure has not been approved or verified by the United States Securities and Exchange Commission (SEC) or by any state securities authority. Additional information about the Firm is available on the SEC’s website at [www.adviserinfo.sec.gov](http://www.adviserinfo.sec.gov). The Firm is a registered investment adviser. Registration does not imply any level of skill or training.

**WEBSITE**  
xyplanningnetwork.com/invest

**PHONE**  
360.301.7579

**ADDRESS**  
24 E Main St  
Bozeman, MT 59715



## Item 2. Material Changes

In this Item, XYPN Invest is required to identify and discuss material changes since filing its last annual amendment. Since filing its last annual amendment on March 31, 2023, XYPN Invest has the following changes to report:

Since 2024, XYPN Invest has maintained two different brochures, both of which address different business lines. The current version of XYPN Invest's other brochure, which addresses its Sapphire Program, can be viewed [here](#).

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## Item 4. Advisory Business

XYPN Invest is owned by XY Planning Network ("XYPN"). XYPN Invest was a state registered investment advisor with the State of Montana effective October 30, 2017 and became registered with the SEC as of June 12, 2020.

While this brochure generally describes the business of XYPN Invest, certain sections also discuss the activities of its Supervised Persons, which refer to the XYPN Invest's officers, partners, directors (or other persons occupying a similar status or performing similar functions), employees or any other person who provides investment advice on XYPN Invest's behalf and is subject to XYPN Invest's supervision or control.

### Investment Management Services

XYPN Invest constructs and manages investment models ("Model Portfolios") through a technology solution. The Model Portfolios can be used by independent registered investment advisers ("RIAs") that are not affiliated with the XYPN Invest. Prior to XYPN Invest rendering investment advisory services, RIAs are required to enter into a written agreement with XYPN Invest setting forth the relevant terms and conditions of the advisory relationship (the "Advisory Agreement"). The investing clients of RIAs ("Clients") are required to sign a new account opening form and/or limited power of attorney that authorizes XYPN Invest to manage the Model Portfolios into which Clients are invested. RIAs are responsible for assigning Model Portfolios to their Clients.

XYPN Invest manages its Model Portfolios on a discretionary basis primarily by allocating Client assets among various mutual funds and exchange-traded funds ("ETFs"). XYPN Invest may also allocate Client assets in individual debt and equity securities. While XYPN Invest will select mutual funds and ETFs for the Model Portfolios, provide guidance and information about the Model Portfolios to RIAs, RIAs are responsible for choosing the specific model and allocation for each of their Clients.

XYPN Invest does not typically tailor its investment management services to meet the needs of each individual Client. As described above, the investments are managed through Model Portfolios. RIAs and their Clients (through their RIAs) can, however, impose reasonable restrictions on investing in certain securities and types of securities if XYPN Invest determines, in its sole discretion, the conditions would not materially impact the performance of a management strategy or prove overly burdensome to XYPN Invest's management efforts. RIAs are advised to promptly notify XYPN Invest if they wish to place any limitations on the management of their Clients' assets. XYPN Invest may work with an



RIA to create a custom model portfolio to fit a client's unique needs, however, the model will be monitored and managed by the RIA.

## Description of Model Portfolios

XYPN Invest currently offers the following Model Portfolios for RIAs to choose for Clients:

1. Core — Globally diversified portfolio consisting of ETFs
2. Core with DFA — Globally diversified portfolio consisting of mostly ETFs\*
3. All DFA — Globally diversified portfolio consisting of mostly mutual funds and all DFA\*
4. Kick Start — Globally diversified portfolio consisting of 3 mutual funds, intended for smaller and growing accounts
5. Tracker — Globally diversified portfolio consisting of ETFs
6. Cause — Globally diversified portfolio consisting of ETFs that incorporate socially responsible investing principles
7. BRI — Globally diversified portfolio consisting of ETFs and Mutual funds that incorporate biblically responsible investing principles

## Wrap Fee Program

We do not participate in wrap fee programs.

## ERISA Accounts

When we provide investment advice to you regarding your retirement plan account or individual retirement account, we are fiduciaries within the meaning of Title I of the Employee Retirement Income Security Act ("ERISA") and/or the Internal Revenue Code (the "Code"), as applicable, which are laws governing retirement accounts. The way we make money creates some conflicts with your interests, so we operate under a special rule that requires us to act in your best interest and not put our interest ahead of yours. Under this special rule's provisions, we must:

- Meet a professional standard of care when making investment recommendations (give prudent advice);
- Never put our financial interests ahead of yours when making recommendations (give loyal advice);
- Avoid misleading statements about conflicts of interest, fees, and investments;



- Follow policies and procedures designed to ensure that we give advice that is in your best interest;
- Charge no more than is reasonable for our services; and
- Give you basic information about conflicts of interest.

## Assets Under Management

As of December 31, 2023 XYPN Invest manages \$133,274,180 in regulatory assets under management on a discretionary basis and \$0 on a non-discretionary basis.



## Item 5. Fees and Compensation

Please note, unless an RIA has received XYPN Invest’s disclosure brochure at least 48 hours prior to signing the Advisory Agreement, the Advisory Agreement may be terminated by the RIA within five (5) business days of signing the agreement without incurring any advisory fees or penalties.

XYPN Invest offers investment management services for an annual fee (also referred to as “management fee”) based on the total amount of each RIA’s assets under XYPN Invest’s management according to a cliff fee schedule. Once an RIA hits the breakpoint, all assets under management are charged at the new breakpoint fee in accordance with the following fee schedule. This fee schedule is available to RIAs who are current members of the XY Planning Network. The fee for clients of XYPN Invest who terminate their membership with XY Planning Network will increase by 5 bps to their current breakpoint tier starting on the beginning billing period following their membership termination date with XY Planning Network.

FROM \$0 TO \$5,000,000	0.35%
FROM \$5,000,001 TO \$25,000,000	0.30%
ABOVE \$25,000,000	0.25%

The annual fee is prorated based on the start date of when assets are transferred to XYPN Invest’ platform for management and charged using the same fee billing methodology that is utilized by the RIA to whom XYPN Invest provides its services. In other words, the XYPN Invest management fee may be billed in advance or arrears, monthly or quarterly, or using period-end value or average daily value over the applicable billing period, depending on the specific fee billing methodology utilized by the RIA to whom XYPN Invest provides its services. In the event the Advisory Agreement is terminated, the fee for the final billing period is prorated through the effective date of the termination and the outstanding portion of the fee is charged to the client, as appropriate.

XYPN Invest and its supervised persons do not accept compensation for the sale of securities or other investment products, including asset-based sales charges or service fees from the sale of mutual funds.

### Fee Discretion

XYPN Invest may, in its sole discretion, negotiate to charge a lesser fee based upon certain criteria, such as anticipated future earning capacity, anticipated future additional assets,



dollar amount of assets to be managed, related accounts, account composition, pre-existing/legacy client relationship, account retention and pro bono activities.

## Direct Fee Debit

For RIAs that have elected to pay XYPN Invest's management fee directly, XYPN Invest will remit the RIA's advisory fee deducted on the RIA's behalf net of the applicable XYPN Invest management fee. For RIAs that have elected to have their Clients pay for the XYPN Invest management fee directly, XYPN Invest will automatically deduct both the RIA's advisory fee and the XYPN Invest management fee from such Clients' accounts pursuant to such Clients' written authorization.

The Financial Institution (as defined below) that acts as the qualified custodian for Client accounts, from which XYPN Invest retains the authority to directly deduct fees, has agreed to send statements to Clients at least quarterly detailing all account transactions, including any amounts paid to XYPN Invest.

## Additional Fees and Expenses

In addition to the advisory fees paid to XYPN Invest, Clients also incur certain charges imposed by other third parties, such as broker-dealers, custodians, trust companies, banks and other financial institutions (collectively "Financial Institutions"). These additional charges include securities brokerage commissions, transaction fees, custodial fees, margin costs, charges imposed directly by a mutual fund or ETF in a client's account, as disclosed in the fund's prospectus (e.g., fund management fees and other fund expenses), deferred sales charges, odd-lot differentials, transfer taxes, wire transfer and electronic fund fees, and other fees and taxes on brokerage accounts and securities transactions. XYPN Invest's brokerage practices are described at length in Item 12, below.

## Account Additions and Withdrawals

Clients can make additions to and withdrawals from their account at any time. Additions can be in cash or securities provided that XYPN Invest reserves the right to liquidate any transferred securities or declines to accept particular securities into a Client's account. Clients can withdraw account assets (preferably upon notice to XYPN Invest), subject to the usual and customary securities settlement procedures. However, the Firm designs its portfolios as long-term investments and the withdrawal of assets may impair the achievement of a Client's investment objectives. XYPN Invest may consult with its RIAs and their Clients about the options and implications of transferring securities. Clients are



advised that when transferred securities are liquidated, they may be subject to transaction fees, short-term redemption fees, fees assessed at the mutual fund level (e.g., contingent deferred sales charges) and/or tax ramifications.

## **Item 6. Performance-Based Fees and Side-by-Side Management**

XYPN Invest does not provide any services for a performance-based fee (i.e., a fee based on a share of capital gains or capital appreciation of a Client's assets).



## **Item 7. Types of Clients**

XYPN Invest offers services to RIAs that will use the Model Portfolios for their Clients, which will include individuals as well as high net worth individuals, trusts, estates, charitable organizations, corporations, and business entities.

XYPN Invest does not have any requirements, such as a minimum account size, to open and maintain an account.

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

### **Methods of Analysis and Investment Strategy**

XYPN Invest's investment management services are based on long-term investment strategies incorporating the principles of Modern Portfolio Theory and the investment philosophy is designed for investors who desire a "buy and hold" strategy. XYPN Invest's investment approach is firmly rooted in the belief that markets are efficient over long periods of time and that investors' long-term returns are determined principally by asset allocation decisions, rather than market timing or stock picking. Frequent trading of securities increases brokerage and other transaction costs that XYPN Invest's strategy seeks to minimize. Although all investments involve risk, XYPN Invest's Model Portfolios seek to limit risk through broad diversification among asset classes.

Clients may hold or retain other types of assets as well, and XYPN Invest may offer advice regarding those various assets as part of its services. Advice regarding such assets will generally not involve investment management services but may help to more generally assist the Client. Clients may also place reasonable restrictions as to the specific mutual funds or ETFs or asset classes used in their accounts.

XYPN Invest's strategies do not use securities that we believe would be classified as having any significant or unusual risks, and we do not recommend frequent trading, which can increase brokerage and other costs and taxes.

XYPN Invest has engaged East Bay Financial Services to provide the following services to XYPN Invest on an ongoing basis in exchange for a fixed monthly fee that is paid by XYPN Invest:

1. Model Portfolio construction, review, and analysis with periodic reviews conducted no less than annually.
2. Quarterly economic and market commentary in live and print form made available to XYPN Invest staff and RIAs.
3. Internal support for Model Portfolio related questions from XYPN Invest staff.



## Analysis of a Client's Financial Situation

When XYPN Invest aids an RIA in developing a Client portfolio and recommended asset allocation, XYPN Invest relies on an analysis of the Client's financial objectives, current and estimated future resources, and tolerance for risk based on the information provided by the RIA. To derive a recommended asset allocation, XYPN Invest may use a Monte Carlo simulation, a standard statistical approach for dealing with uncertainty. As with any other methods used to make projections into the future, there are several risks associated with this method, which may result in the Client not being able to achieve their financial goals. They include:

1. The risk that expected future cash flows will not match those used in the analysis
2. The risk that future rates of return will fall short of the estimates used in the simulation
3. The risk that inflation will exceed the estimates used in the simulation
4. For taxable Clients, the risk that tax rates will be higher than was assumed in the analysis

## Risk of Loss

Investing in securities involves risk of loss that Clients should be prepared to bear. Past performance does not guarantee future returns.

All investments present the risk of loss of principal – the risk that the value of securities (mutual funds, ETFs and individual bonds, e.g.), when sold or otherwise disposed of, may be less than the price paid for the securities. Even when the value of the securities when sold is greater than the price paid, there is the risk that the appreciation will be less than inflation. In other words, the purchasing power of the proceeds may be less than the purchasing power of the original investment.

The mutual funds and ETFs used by XYPN Invest may include funds invested in domestic and international equities, including real estate investment trusts (REITs), corporate and government fixed income securities and commodities. Equity securities may include those of any size market capitalization. Mutual funds and ETF shares invested in fixed income securities are subject to the same interest rate, inflation and credit risks associated with the underlying bond holdings.

Among the riskiest mutual funds used in XYPN Invest's investment strategies funds are the U.S. and International small capitalization and small capitalization value funds and emerging markets funds. Conservative fixed income securities have lower risk of loss of

principal, but most bonds (with the exception of Treasury Inflation Protected Securities, or TIPS) present the risk of loss of purchasing power through lower expected return. This risk is greatest for longer-term bonds.

Certain funds used by XYPN Invest may contain international securities. Investing outside the United States involves additional risks, such as currency fluctuations, periods of illiquidity and price volatility. These risks may be greater with investments in developing countries.

Investing in mutual funds does not guarantee a return on investment, and shareholders of a mutual fund may lose the principal that they've invested into a particular mutual fund. Mutual funds invest into underlying securities that comprise the mutual fund, and as such clients are exposed to the risks arising from such underlying securities. Mutual funds charge internal expenses to their shareholders (which can include management fees, administration fees, shareholder servicing fees, sales loads, redemption fees, and other fund fees and expenses, e.g.), and such internal expenses subtract from its potential for market appreciation. Shares of mutual funds may only be traded at their stated net asset value ("NAV"), calculated at the end of each day upon the market's close.

Investing in ETFs bears similar risks and incurs similar costs to investing in mutual funds as described above. However, shares of an ETF may be traded like stocks on the open market and are not redeemable at an NAV. As such, the value of an ETF may fluctuate throughout the day and investors will be subject to the cost associated with the bid-ask spread (the difference between the price a buyer is willing to pay (bid) for an ETF and the seller's offering (asking) price).

More information about the risks of any particular market sector can be reviewed in representative mutual fund prospectuses managing assets within each applicable sector.



## **Item 9. Disciplinary Information**

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

## Item 10. Other Financial Industry Activities and Affiliations

This item requires investment advisers to disclose certain financial industry activities and affiliations.

No XYPN Invest employee is registered or has an application pending to register as a broker-dealer or as a registered representative of a broker-dealer.

No XYPN Invest employee is registered or has an application pending to register as a futures commission merchant, commodity pool operator or a commodity trading advisor.

Although Samantha Silberstein, an investment adviser representative of XYPN Invest, is a licensed insurance agent, she is not actively selling insurance products.

### Affiliation with Other Investment Advisers

Jeffrey Snoggrass, Director of XYPN Invest, has a relationship with another Investment Adviser. He is an approximately 100% owner of Mindful Wealth, LLC and is the Managing Member and Chief Compliance Officer.

Michael E. Kitces, indirect owner of XYPN Invest, has relationships with other Investment Advisers. He is an approximately 2% owner of Pinnacle Advisory Group, Inc. and is Head of Planning Strategy and IAR of Buckingham Strategic Wealth, LLC.

A conflict of interest exists to the extent that XYPN Invest or its Supervised Persons recommends those other investment advisers to Clients or where those other investment advisers recommend their Clients use the Program. In order to mitigate these conflicts, XYPN Invest does not allow such cross referrals.

No other owners or management personnel of XYPN Invest have relationships with any of the following: broker-dealers, municipal securities dealers, investment companies, other investment advisers, futures commission merchants, commodity pool operators, commodity trading advisors, banking institutions, accounting firms, law firms, insurance companies, pension consultants, real estate brokers or sponsors of limited partnerships.

### XY Planning Network ("XYPN")

XYPN Invest is a wholly-owned subsidiary of XYPN. XYPN is a community-driven advisor support network of more than one thousand financial advisors that provides tools, resources, and services, to enable financial advisors to start, run, and grow their own fee-only financial planning practices serving Gen X and Gen Y clients for a monthly subscription fee. XYPN connects consumers with our diverse community of fee-only CFPs



dedicated to bringing real financial planning to the next generation without regard to investment account minimums.

To the extent a member of XYPN purchases a subscription to the Orion Advisor Tech (an RIA-centric software service provided by Orion Advisor Solutions, Inc. ("Orion")) directly through Orion instead of through XYPN Invest, Orion may share a portion of the revenue it receives from such subscription with XYPN Invest. This creates a financial incentive to recommend Orion to clients, which presents a conflict of interest. XYPN Invest addresses this conflict of interest by disclosing it in this brochure, by advising clients that they are under no obligation to subscribe to the Orion, whether through XYPN Invest or directly with Orion, and by only continuing to utilize Orion if believed to be in the best interests of clients.

## Item 11. Code of Ethics

XYPN Invest has adopted a code of ethics in compliance with applicable securities laws ("Code of Ethics") that sets forth the standards of conduct expected of its Supervised Persons. XYPN Invest's Code of Ethics contains written policies reasonably designed to prevent certain unlawful practices such as the use of material non-public information by XYPN Invest or any of its Supervised Persons and the trading by the same of securities ahead of Clients in order to take advantage of pending orders.

The Code of Ethics also requires XYPN Invest's personnel to report their personal securities holdings and transactions and obtain pre-approval of certain investments (e.g., initial public offerings, limited offerings).

Associates of XYPN Invest may buy or sell securities similar to, or different from, those recommended to Clients for their accounts if done in a fair and equitable manner that is consistent with XYPN Invest's policies and procedures. Though this is a conflict of interest, as XYPN Invest or its IARs may benefit from an increase in price from subsequent purchases by clients, this Code of Ethics has been established recognizing that XYPN Invest mainly recommends mutual funds and ETFs, securities that trade in sufficiently broad markets and can be completed without any appreciable impact on the markets of such securities.

Associates of XYPN Invest may buy or sell securities for themselves at or around the same time as Clients. We will not trade non-fund securities (mutual funds or exchange-traded funds) within 5 days prior to the same security for Clients.

When XYPN Invest is engaging in or considering a transaction in any security on behalf of a Client, no Supervised Person with access to this information may knowingly effect for themselves or for their immediate family (i.e., spouse, minor children and adults living in the same household) a transaction in that security unless:

1. the transaction has been completed;
2. the transaction for the Supervised Person is completed as part of a batch trade with Clients; or
3. a decision has been made not to engage in the transaction for the Client.

These requirements are not applicable to: (i) direct obligations of the Government of the United States; (ii) money market instruments, bankers' acceptances, bank certificates of deposit, commercial paper, repurchase agreements and other high quality short-term debt instruments, including repurchase agreements; (iii) shares issued by mutual funds or

money market funds; and (iv) shares issued by unit investment trusts that are invested exclusively in one or more mutual funds.

Neither XYPN Invest, its associates or any related person is authorized to recommend to a Client, or effect a transaction for a Client, involving any security in which our firm or a related person has a material financial interest, such as in the capacity as an underwriter, adviser to the issuer, etc.

Clients and prospective Clients may contact XYPN Invest to request a copy of its Code of Ethics.



## Item 12. Brokerage Practices

### Recommendation of Broker-Dealers for Client Transactions

XYPN Invest recommends that Clients utilize the custody, brokerage and clearing services of Charles Schwab & Company, Inc. ("Schwab") for investment management accounts.

Schwab offers to independent investment advisers services which include custody of securities, trade execution, clearance and settlement of transactions. Not all advisers require their clients to direct brokerage. The final decision to custody assets with Schwab is at the discretion of the Client, including those accounts under ERISA or IRA rules and regulations, in which case the Client is acting as either the plan sponsor or IRA account holder.

Factors which XYPN Invest considers in recommending Schwab or any other broker-dealer to Clients include their respective financial strength, reputation, execution, pricing, research and service. Assessing these factors as a whole allows XYPN Invest to fulfill its duty to seek best execution for its clients' securities transactions. Schwab enables XYPN Invest to obtain many mutual funds without transaction charges and other securities at nominal transaction charges. The commissions and/or transaction fees charged by Schwab may be higher or lower than those charged by other Financial Institutions or through direct brokerage.

XYPN Invest determines that the commissions are reasonable in relation to the value of the brokerage and research services received. In seeking best execution, the determinative factor is not the lowest possible cost, but whether the transaction represents the best qualitative execution, taking into consideration the full range of a Financial Institution's services, including among others, the value of research provided, execution capability, commission rates and responsiveness. XYPN Invest seeks competitive rates but may not necessarily obtain the lowest possible commission rates for client transactions.

Consistent with seeking best execution, Schwab provides products and/or services that are designed to assist XYPN Invest in its investment decision-making process and its ability to provide advice and service to its RIAs and Clients. The receipt of investment products and/or services as well as the allocation of the benefit of such products and/or services poses a conflict of interest because XYPN Invest does not have to produce or pay for the products or services.

XYPN Invest periodically and systematically reviews its policies and procedures regarding its recommendation of Financial Institutions in light of its duty to seek best execution.

## Software and Support Provided by Financial Institutions

XYPN Invest receives, without cost from Schwab, administrative support, computer software, related systems support, as well as other third party support as further described below, which allows XYPN Invest to better monitor Client accounts maintained at Schwab and otherwise conduct its business. XYPN Invest receives the support without cost because it renders investment management services to Clients that maintain assets at Schwab. Schwab has also historically sponsored the national conference hosted by XYPN, and has directly paid third-party technology, research, marketing, compliance, and consulting-related expenses that would otherwise be borne directly by XYPN. Schwab retains the authority to continue such conference sponsorship and third-party vendor expense reimbursement, and XYPN may therefore continue to receive such benefits from Schwab in the future.

This support benefits XYPN Invest (through XYPN), but not its Clients directly. Clients should be aware that XYPN Invest's receipt of economic benefits such as the support from Schwab creates a conflict of interest since these benefits may influence XYPN Invest's choice of broker-dealer over another third-party that does not furnish similar software, systems support, services, third-party vendor expense reimbursement, or conference sponsorship. In fulfilling its duties to its clients, XYPN Invest endeavors at all times to put the interests of its Clients first and has determined that the recommendation of Schwab is in the best interest of Clients and satisfies XYPN Invest's duty to seek best execution.

XYPN Invest additionally receives the following benefits from Schwab:

1. access to a trading desk that exclusively services its institutional traders;
2. access to block trading which provides the ability to aggregate securities transactions and then allocate the appropriate shares to Client accounts; and
3. access to an electronic communication network for client order entry and account information.

Schwab also provides access to its investment adviser platform to XYPN member advisers regardless of the assets managed or placed on the XYPN Invest platform by such advisers.

There is no direct link between XYPN Invest's participation in Schwab's institutional customer program and the investment advice it gives to its Clients, although XYPN Invest receives economic benefits through its participation in the program that are typically not available to Schwab retail investors. XYPN Invest also has the ability deduct advisory fees directly from Client accounts; access to an electronic communications network for Client order entry and account information; access to mutual funds with no transaction fees and to certain institutional money managers; and discounts on compliance, marketing,

research, technology, and practice management products or services provided to XYPN Invest by third party vendors. Schwab funds business consulting and professional services received by XYPN Invest' related persons.

The receipt of the products and services from Schwab as described above creates a conflict of interest to the extent it causes XYPN Invest to recommend Schwab as opposed to a comparable custodial broker-dealer. XYPN Invest addresses this conflict of interest by fully disclosing this conflict of interest in this brochure, evaluating Schwab based on the value and quality of its services as realized by Clients, and by periodically evaluating alternative custodial broker-dealers to recommend.

## Brokerage for Client Referrals

XYPN Invest does not receive client referrals from broker-dealers or third-parties.

## Trade Aggregation

Transactions for each Client will be processed independently, unless XYPN Invest decides to purchase or sell the same securities for several Clients at approximately the same time. XYPN Invest may (but is not obligated to) combine or "batch" such orders to obtain best execution, to negotiate more favorable commission rates or to allocate equitably among XYPN Invest's Clients differences in prices and commissions or other transaction costs that might not have been obtained had such orders been placed independently. Under this procedure, transactions will be averaged as to price and allocated among XYPN Invest's Clients pro rata to the purchase and sale orders placed for each Client on any given day. To the extent that XYPN Invest determines to aggregate Client orders for the purchase or sale of securities, including securities in which XYPN Invest's Supervised Persons may invest, XYPN Invest does so in accordance with applicable rules promulgated under the Advisers Act and no-action guidance provided by the staff of the U.S. Securities and Exchange Commission. XYPN Invest does not receive any additional compensation or remuneration as a result of the aggregation.

In the event that XYPN Invest determines that a prorated allocation is not appropriate under the particular circumstances, the allocation will be made based upon other relevant factors, which include: (i) when only a small percentage of the order is executed, shares may be allocated to the account with the smallest order or the smallest position or to an account that is out of line with respect to security or sector weightings relative to other portfolios, with similar mandates; (ii) allocations may be given to one account when one account has limitations in its investment guidelines which prohibit it from purchasing other



securities which are expected to produce similar investment results and can be purchased by other accounts; (iii) if an account reaches an investment guideline limit and cannot participate in an allocation, shares may be reallocated to other accounts (this may be due to unforeseen changes in an account's assets after an order is placed); (iv) with respect to sale allocations, allocations may be given to accounts low in cash; (v) in cases when a pro rata allocation of a potential execution would result in a de minimis allocation in one or more accounts, XYPN Invest may exclude the account(s) from the allocation; the transactions may be executed on a pro rata basis among the remaining accounts; or (vi) in cases where a small proportion of an order is executed in all accounts, shares may be allocated to one or more accounts on a random basis.

## Research and Soft Dollar Benefits

XYPN Invest does not receive research and other soft dollar benefits in connection with client securities transactions, which are known as "soft dollar benefits." However, Schwab does provide certain products and services that are intended to directly benefit XYPN Invest, clients, or both as described above.

## **Item 13. Review of Accounts**

### **Account Reviews**

XYPN Invest monitors the Model Portfolios on a continuous basis but does not conduct regular reviews of the RIA's Client accounts. Model Portfolio reviews are conducted by XYPN Invest personnel and East Bay Financial Services - an independent and unaffiliated third-party retained to support XYPN Invest in areas such as model creation, portfolio management, and investment research.

### **Account Statements and Reports**

Clients are provided with transaction confirmation notices and regular summary account statements directly from the Financial Institutions where their assets are custodied.

Clients also receive written or electronic reports from XYPN Invest and/or an outside service provider on a quarterly basis, which contain certain account and/or market-related information, such as an inventory of account holdings or account performance. Clients should compare the account statements they receive from their custodian with any documents or reports they receive from XYPN Invest or an outside service provider.

## **Item 14. Client Referrals and Other Compensation**

XYPN Invest does not currently provide compensation to any third-party solicitors for client referrals, and does not receive compensation from any third-party for client referrals.

XYPN Invest does not receive any economic benefit, directly or indirectly from any third party for advice rendered to our clients.

The Adviser may directly or indirectly compensate a person who is not Adviser's supervised person for client referrals as a result of a referral arrangement that enables one or more of our supervised persons to participate in the referral arrangement described here: Adviser has entered into a contractual relationship with Nectarine Financial, Inc. ("Nectarine"), an independent and unaffiliated investment adviser registered with the U.S. Securities and Exchange Commission that operates an interactive website platform (the "Platform"), to receive prospective client referrals through the Platform. If a prospective client referred to Adviser engages one of our supervised persons to provide financial planning or other investment advisory services through the Platform, such client will pay Adviser's fee to Nectarine through the Platform. Nectarine will remit a portion of this fee to Adviser and retain the balance of this fee in consideration of Nectarine's referral services. Adviser's fee is not increased as a result of Nectarine's referral services. Prospective clients referred to Adviser through the Platform will receive a separate written disclosure that details the fee payment arrangement between Nectarine and Adviser. Nectarine does not otherwise provide any investment advisory or financial planning services to prospective clients, as such services are directly provided by Adviser through its relationship with Nectarine and the Platform.

Dimensional Fund Advisors, LP ("DFA") has historically sponsored the national conference hosted by XYPN, and DFA retains the authority to continue such conference sponsorship in the future. XYPN Invest's model investment portfolios include mutual funds and ETFs sponsored and managed by DFA. This creates a conflict of interest to the extent DFA's sponsorship of XYPN's national conference causes XYPN Invest to include DFA mutual funds and ETFs in its model investment portfolios, or to otherwise recommend DFA mutual funds or ETFs to its clients. XYPN Invest addresses this conflict of interest by fully disclosing it in this brochure, by only making model investment portfolio allocation decisions and recommendations without regard for any benefits conferred by DFA, and by retaining the services of East Bay Financial Services to lend independence with respect to model investment portfolio construction and management decisions.

## **Item 15. Custody**

The Advisory Agreement and/or the separate authorization form with the applicable Financial Institution authorize XYPN Invest to debit Client accounts for payment of XYPN Invest's fees and to directly remit those funds to XYPN Invest in accordance with applicable custody rules. The Financial Institutions that act as the qualified custodian for Client accounts, from which XYPN Invest retains the authority to directly deduct fees, have agreed to send statements to Clients not less than quarterly detailing all account transactions, including any amounts paid to XYPN Invest. For clients that have provided XYPN Invest with discretion as to amount and timing of disbursements pursuant to a standing letter of authorization to disburse funds from their account(s), XYPN Invest will typically be deemed to have limited custody over such clients' funds or securities pursuant to the SEC's custody rule and subsequent guidance thereto.

In addition, as discussed in Item 13, XYPN Invest will also send, or otherwise make available, periodic supplemental reports to Clients. Clients should carefully review the statements sent directly by the Financial Institutions and compare them to those received from XYPN Invest. If the Client has any questions they should contact their RIA directly.



## **Item 16. Investment Discretion**

XYPN Invest is given the authority to exercise discretion within the Model Portfolios on behalf of Clients. XYPN Invest is considered to exercise investment discretion over a Client's account if it can effect and/or direct transactions in Client accounts without first seeking their consent. XYPN Invest is given this authority through a new account opening form and/or limited power-of-attorney included in the agreement between XYPN Invest and the Client. Clients may request a limitation on this authority (such as certain securities not to be bought or sold). XYPN Invest takes discretion over the following activities:

1. The securities to be purchased or sold;
2. The amount of securities to be purchased or sold; and
3. When transactions are made.

## **Item 17. Voting Client Securities**

XYPN Invest does not accept the authority to vote any Client's securities (i.e., proxies) on their behalf. Clients receive proxies directly from the Financial Institutions where their assets are custodied and may contact XYPN Invest at the contact information on the cover of this brochure with questions about any such issuer solicitations.

## **Item 18. Financial Information**

XYPN Invest is not required to disclose any financial information due to the following:

1. XYPN Invest does not require or solicit the prepayment of more than \$1,200 in fees six months or more in advance of services rendered;
2. XYPN Invest does not have a financial condition that is reasonably likely to impair its ability to meet contractual commitments to Clients; and
3. XYPN Invest has not been the subject of a bankruptcy petition at any time during the past ten years.