

Item 1: Cover Sheet

**FORM ADV PART 2A
INFORMATIONAL BROCHURE**



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October 3, 2024

This brochure provides information about the qualifications and business practices of Formulate Financial, LLC. If you have any questions about the contents of this brochure, please contact us at (561-269-0330. 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. Our registration does not imply a certain level of skill or training.

Additional information about Formulate Financial, LLC. (CRD# 331026) is also available on the SEC's website at www.adviserinfo.sec.gov.

Item 2:Statement of Material Changes

In this Item it is required to discuss any material changes which have been made to the brochure. As of the date of this brochure, there are no material changes to disclose at this time.

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INFORMATIONAL BROCHURE

Formulate Financial, LLC

Item 4: Advisory Business

Formulate Financial, LLC (“Formulate”) is an independent registered investment advisor. The firm’s principal is Michael Rosenthal. Formulate provides investment management services to individuals, businesses and retirement plans.

Asset Management Services

Formulate’s process for individuals begins with discovery conducted through conversations with the client. The conversations help Formulate establish the client’s objectives, risk tolerance and overall goals, both short term, and long term. Formulate then will develop an individualized investment allocation based upon the investment objectives and risk tolerance of the client. Each portfolio will be customized to the client and focuses on creating income streams for retirement and diversification. Formulate acts as a “sounding board” for clients as they make financial decisions to ensure the portfolio remains in line with client goals.

Formulate performs portfolio management and asset allocation services primarily on a discretionary basis. This means that while Formulate will continue an ongoing relationship with each client, being involved in various stages of their lives and decisions to be made, Formulate will not seek specific approval of changes to client accounts. Because Formulate takes discretion when managing accounts, clients engaging Formulate will be asked to execute an Investment Advisory Agreement that outlines the scope of the engagement.

Retirement Plan Services

Formulate offers fee based qualified retirement plan services that provide non-discretionary and discretionary Investment Fiduciary Services to Sponsors and Trustees of qualified retirement plans. Formulate will assist plans in establishing a menu of mutual funds and / or models to offer to participating employees of the qualified retirement plan. Employees will self-direct the investments of their accounts within the plan.

As an ERISA 3(21) Investment Advisor, services are designed to allow the Sponsor to retain full discretionary authority or control over assets of the Plan. Formulate will solely be making recommendations to the Sponsor. Formulate will recommend investments to the plan sponsor, monitor the plan’s investments, suggest replacements as appropriate, develop and monitor risk-based models comprised solely from the plan’s investment menu, and provide participant education. Formulate will provide guidance to the plan sponsor in meeting its fiduciary responsibilities. The Sponsor retains decision making authority and may accept or reject any recommendations.

As an ERISA 3(38) Investment Manager, services are designed to allow the plan fiduciary to delegate responsibility for managing, acquiring and disposing of Plan assets that meet the requirements of the Employee Retirement Income Security Act of 1974 (“ERISA”). If appointed as an ERISA 3(38) Investment Manager, Formulate would have full discretionary authority to select, monitor, and

remove the investment options offered in a qualified retirement plan.

In either case, whether Formulate is engaged as a 3(21) Investment Advisor or 3(38) Investment Manager, Formulate will charge a fee for services rendered, as described in this Form ADV and the Agreement.

Assets Under Management

As of September 30, 2024, Formulate has \$211,795,323 in assets under management..

Item 5: Fees and Compensation

A. Fees Charged

All investment management clients will be required to execute an Investment Advisory Agreement that will describe the type of management services to be provided and the fees, among other items. Clients are advised that they may pay fees that are higher or lower than fees they may pay another advisor for the same services and may in fact pay lower fees for comparable services from other sources. Clients are under no obligation at any time to engage or to continue to engage Formulate for investment services.

Asset Management Services

Formulate asset management fees generally range from 0.00% to 2.00% per annum of the net market value of a client's account managed by Formulate. Clients may pay a different fee in each account dependent on the assets within that account. Fees are negotiable and may be higher or lower than this range, based on the nature of the account, and the origin of the client. Factors affecting fee percentages include the size of the account, complexity of asset structures, the non-management services provided to the client, and any other unique factors that may exist. All clients, but especially those with smaller accounts, should be advised they may receive similar services from other professionals for higher or lower overall costs.

On a select basis and in the sole discretion of Formulate, asset management services can also be provided on a fixed fee basis ranging from \$20,000 to \$100,000 per year. Fees are negotiable and may be higher or lower than this range, based on the nature of the account, and the origin of the client.

Retirement Plan Services

Retirement Plan Services are charged either on a fixed fee basis or a percentage of plan assets basis. Generally, retirement plan fees vary from 0% to 2.00% per annum of the market value of a client's assets managed by Formulate. Fees are negotiable, and may be higher or lower than this range, based on the nature of the account. Factors affecting fee percentages include the size of the account, complexity of asset structures, and other factors.

B. Fee Payment

Asset Management Services

For clients whose assets are managed by the firm, investment management fees will be debited directly from each client's account. The advisory fee is paid quarterly, in advance, and the value used for the fee calculation is the net value as of the last market day of the previous quarter, including any cash in the client's account, and accounting for any inflows and outflows in the accounts during the quarter. For example, if your annual fee is 1.00%, each quarter we will multiply the value of your account by 1.00%, then divide by the number of days in that calendar year and multiply that number by days in the quarter to calculate our fee. To the extent there is cash in your account, it will be included in the value for the purpose of calculating fees only if the cash is part of an investment strategy. Once the calculation is made, we will instruct your account custodian to deduct the fee from your account and remit it to Formulate.

For fixed fee investment management clients, the fee will be charged quarterly in advance by dividing the annual fee amount by four.

Retirement Plan Services

Retirement plan sponsors pay fees directly or have the fees deducted from plan assets as directed by the agreement between the plan sponsors, the recordkeeper and Formulate. The fees are calculated by the recordkeeper and deducted from the plan by the recordkeeper and paid to Formulate accordingly.

C. Other Fees

There are a number of other fees that can be associated with holding and investing in securities. Expenses of a mutual fund or ETF will not be included in management fees, as they are deducted from the value of the shares by the manager. When selecting mutual funds that have multiple share classes for recommendation to clients, Formulate will take into account the internal fees and expenses associated with each share class, and it is Formulate's policy to choose the lowest-cost share class available, absent circumstances that dictate otherwise. For complete discussion of expenses related to each mutual fund or ETF, you should read a copy of the prospectus issued by that fund. Formulate can provide or direct you to a copy of the prospectus for any fund that we recommend to you.

Please make sure to read Item 12 of this informational brochure, where we discuss broker-dealer and custodial issues.

D. *Pro-rata* Fees

If a client becomes a client during a quarter, they will pay a management fee for the number of days left in that quarter. This prorated fee will be deducted at the time of the next quarterly billing cycle in conjunction with the quarterly management fee charged in advance.

If clients terminate the relationship during a quarter, they will be entitled to a refund of any management fees for the remainder of the quarter they may have prepaid. Once the notice of termination is received, Formulate will assess pro-rated fees for the number of days between the

end of the prior billing period and the date of termination. Formulate will cease to perform services, including processing trades and distributions, upon termination. Assets not transferred from terminated accounts within 30 (thirty) days of termination may be “de-linked”, meaning they will no longer be visible to Formulate and will become a retail account with the custodian.

E. Compensation for the Sale of Securities.

Formulate does not receive commission based on the client’s purchase of any financial product, including insurance. No commissions in any form are accepted.

Item 6: Performance-Based Fees

Formulate will not charge performance-based fees.

Item 7: Types of Clients

Clients advised include individuals, families, trusts, businesses and retirement plans. Formulate does not have a minimum account value to become a client.

Item 8: Methods of Analysis, Investment Strategies and Risk of Loss

It is important for you to know and remember that all investments carry risks. **Investing in securities involves risk of loss that clients should be prepared to bear.**

Strategies and Methods of Analysis

Formulate manages client assets using predominantly a bottom-up approach. Formulate evaluates individual securities utilizing performance related factors and how the position will fit in the overall portfolio, while keeping in mind the macro view of the markets and economic conditions that may affect the portfolio.

Each client’s portfolio will be invested according to that client’s investment objectives. Formulate determines these objectives by interviewing the client. Once Formulate understands the client’s objectives for each account, Formulate will develop a set of asset allocation guidelines. An asset allocation strategy is a percentage-based allocation to different investment types. For example, a client may have an asset allocation strategy that calls for 40-60% of the portfolio to be invested in equity securities, with 20% of that allocated to international equities and the remaining balance in fixed income. Another client may have an asset allocation of 50-60% in fixed income securities and the remainder equities. The percentages in each type that Formulate recommends are based on the typical behavior of that security type, current market conditions, current financial situation, the client’s financial goals, and the timeline to get the client to those goals. Because Formulate develops an investment strategy based on the client’s personal situation and financial goals, the client’s asset allocation guidelines may be similar to or different from another client’s.

Formulate will periodically recommend securities transactions in the client's portfolio to meet the guidelines of the asset allocation strategy. It is important to remember that because market conditions can vary greatly, the asset allocation guidelines are not necessarily strict rules. Rather, Formulate reviews accounts individually, and may deviate from the guidelines as Formulate believes necessary.

The specific securities Formulate recommends for an account will depend on market conditions and research at the time. Generally, Formulate recommends a mix of bonds, exchange traded funds, and stocks. Formulate may recommend private investments as part of the overall allocation if the client qualifies for such an investment and it is in line with the investment objective of the client. Formulate bases our conclusions on predominantly publicly available research, such as regulatory filings, press releases, competitor analyses, and in some cases research received from the custodian or other market analyses. Formulate may also use technical analysis, which means that Formulate will review the past behaviors of the security and the markets in which it trades for signals as to what might happen in the future.

When Formulate makes changes to an investment strategy, these changes may not be made simultaneously. Rather, some accounts may be modified before others. This may result in accounts being traded earlier inadvertently having an advantage over accounts traded later.

Additionally, as assets are transitioned from a client's prior advisors to Formulate, clients may hold legacy securities and may place restrictions on individual security types. Legacy securities are those that a client owned prior to or separate from its Formulate portfolio. If a client transitions mutual fund shares to Formulate that are not the lowest-cost share class, and Formulate is not recommending disposing of the security altogether, Formulate will attempt to convert such mutual fund share classes into the lowest-cost share classes the client is eligible for, taking into account any adverse tax consequences associated with such conversion.

Risk of Loss

There are always risks to investing. **Clients should be aware that all investments carry various types of risk including the potential loss of principal that clients should be prepared to bear.** It is impossible to name all possible types of risks. Among the risks are the following:

- **Political Risks.** Most investments have a global component, even domestic stocks. Political events anywhere in the world may have unforeseen consequences to markets around the world.
- **General Market Risks.** Markets can, as a whole, go up or down on various news releases or for no understandable reason at all. This sometimes means that the price of specific securities could go up or down without real reason and may take some time to recover any lost value. Adding additional securities does not help to minimize this risk since all securities may be affected by market fluctuations.
- **Currency Risk.** When investing in another country using another currency, the changes in the value of the currency can change the value of your security value in your portfolio.
- **Regulatory Risk.** Changes in laws and regulations from any government can change the value of a given company and its accompanying securities. Certain industries are more susceptible to government regulation. Changes in zoning, tax structure or laws impact the return on these investments.
- **Tax Risks Related to Short Term Trading:** Clients should note that Formulate may engage in

short-term trading transactions. These transactions may result in short term gains or losses for federal and state tax purposes, which may be taxed at a higher rate than long term strategies. Formulate endeavors to invest client assets in a tax efficient manner, but all clients are advised to consult with their tax professionals regarding the transactions in client accounts.

- **Purchasing Power Risk.** Purchasing power risk is the risk that your investment's value will decline as the price of goods rises (inflation). The investment's value itself does not decline, but its relative value does, which is the same thing. Inflation can happen for a variety of complex reasons, including a growing economy and a rising money supply.

- **Business Risk.** This can be thought of as certainty or uncertainty of income. Management comes under business risk. Cyclical companies (like automobile companies) have more business risk because of the less steady income stream. On the other hand, fast food chains tend to have steadier income streams and therefore, less business risk.

- **Financial Risk.** The amount of debt or leverage determines the financial risk of a company.

- **Default Risk.** This risk pertains to the ability of a company to service their debt. Ratings provided by several rating services help to identify those companies with more risk. Obligations of the U.S. government are said to be free of default risk.

- **Margin Risk.** "Margin" is a tool used to maximize returns on a given investment by using securities in a client account as collateral for a loan from the custodian to the client. The proceeds of that loan are then used to buy more securities. Margin carries a higher degree of risk than investing without margin.

- **Short Sales.** "Short sales" are a way to implement a trade in a security Formulate feels is overvalued. In a "long" trade, the investor is hoping the security increases in price. Thus, in a long trade, the amount of the investor's loss (without margin) is the amount paid for the security. In a short sale, the investor is hoping the security decreases in price. However, unlike a long trade where the price of the security can only go from the purchase price to zero, in a short sale, the price of the security can go infinitely upwards. Thus, in a short sale, the potential for loss is unlimited and unknown, where the potential for loss in a long trade is limited and knowable. Formulate utilizes short sales only when the client's risk tolerances permit.

- **Information Risk:** All investment professionals rely on research in order to make conclusions about investment options. This research is usually a mix of both internal (proprietary) and external (provided by third parties) data and analyses. Even an adviser who says they rely solely on proprietary research must still collect data from third parties. This data, or outside research is chosen for its perceived reliability, but there is no guarantee that the data or research will be completely accurate. Failure in data accuracy or research will translate to a compromised ability by the adviser to reach satisfactory investment conclusions.

- **Risks specific to private placements, sub-advisors and other managers.** If we invest some of your assets with another advisor, including a private placement, there are additional risks. These include risks that the other manager is not as qualified as we believe them to be, that the investments they use are not as liquid as we would normally use in your portfolio, or that their risk management guidelines are more liberal than we would normally employ.

- **Information Risk.** All investment professionals rely on research in order to make conclusions about investment options. This research is always a mix of both internal (proprietary) and external (provided by third parties) data and analyses. Even an adviser who says they rely solely on proprietary research must still collect data from third parties. This data, or outside research is chosen for its perceived reliability, but there is no guarantee that the data or research will be completely accurate. Failure in data accuracy or research will translate to a compromised ability by the adviser to reach satisfactory investment conclusions.

- **Small Companies.** Some investment opportunities in the marketplace involve smaller issuers. These companies may be starting up or are historically small. While these companies sometimes have potential for outsized returns, they also have the potential for losses because the reasons the company is small are also risks to the company's future. For example, a company's management may lack experience, or the company's capital for growth may be restricted. These small companies also tend to trade less frequently than larger companies, which can add to the risks associated with their securities because the ability to sell them at an appropriate price may be limited compared to the markets as a whole. Not only do these companies have investment risk, if a client is invested in such small companies and requests immediate or short-term liquidity, these securities may require a significant discount to value in order to be sold in a shorter time frame.
- **Concentration Risk.** While Formulate selects individual securities, including mutual funds, for client portfolios based on an individualized assessment of each security, this evaluation comes without an overlay of general economic or sector specific issue analysis. This means that a client's equity portfolio may be concentrated in a specific sector, geography, or sub-sector (among other types of potential concentrations), so that if an unexpected event occurs that affects that specific sector or geography, for example, the client's equity portfolio may be affected negatively, including significant losses.
- **Transition risk.** As assets are transitioned from a client's prior advisers to Formulate there may be securities and other investments that do not fit within the asset allocation strategy selected for the client. Accordingly, these investments will need to be sold in order to reposition the portfolio into the asset allocation strategy selected by Formulate. However, this transition process may take some time to accomplish. Some investments may not be unwound for a lengthy period of time for a variety of reasons that may include unwarranted low share prices, restrictions on trading, contractual restrictions on liquidity, or market-related liquidity concerns. In some cases, there may be securities or investments that are never able to be sold. The inability to transition a client's holdings into recommendations of Formulate may adversely affect the client's account values, as Formulate's recommendations may not be able to be fully implemented.
- **Restriction Risk.** Clients may at all times place reasonable restrictions on the management of their accounts. However, placing these restrictions may make managing the accounts more difficult, thus lowering the potential for returns.
- **Risks Related to Investment Term & Liquidity.** Securities do not follow a straight line up in value. All securities will have periods of time when the current price of the security is not an accurate measure of its value. If you require us to liquidate your portfolio during one of these periods, you will not realize as much value as you would have had the investment had the opportunity to regain its value. Further, some investments are made with the intention of the investment appreciating over an extended period of time. Liquidating these investments prior to their intended time horizon may result in losses.
- **Excess Cash Balance Risk:** Client accounts may have cash balances in excess of \$250,000, which is the insurance limit of the Federal Deposit Insurance Corporation. For cash balances in excess of that amount, there is an enhanced risk that operation related counterparty risk related to the account custodian could cause losses in the account. We mitigate this risk by carrying cash balances in amounts either subject to protection or as limited as you, the client, directs. You may elect to participate in a "cash sweep" program through your account custodian which automatically moves excess cash from your investment account into a cash account and then invests that cash into cash-based investments, such as money market funds. We do not receive compensation of any kind for facilitating your participation in such cash sweep accounts.

Item 9: Disciplinary Information

There are no disciplinary items to report.

Item 10: Other Financial Industry Activities and Affiliations**A. Broker-dealer**

Neither the principals of Formulate, nor any related persons are registered, or have an application pending to register, as a broker dealer or as an associated person of the foregoing entities.

B. Futures Commission Merchant/Commodity Trading Advisor

Neither the principals of Formulate, nor any related persons are registered, or have an application pending to register, as a futures commission merchant, commodity pool operator, a commodity trading advisor, or an associated person of the foregoing entities.

C. Relationship with Related Persons

Some clients of Formulate are invested in the same private investments as Mr. Rosenthal; however, the decision to invest in the same opportunity was made in the sole discretion of the client and not at the recommendation of Mr. Rosenthal. Mr. Rosenthal does not stand to benefit in any way from clients being invested in the same private investment opportunities as he is with his personal assets. In order to mitigate this conflict, it is disclosed to the public and employees of Formulate are required to acknowledge and adhere to the firm's Code of Ethics, requiring the interests of the clients to be put before that of Formulate or any employee.

D. Recommendations of Other Advisers

Formulate nor any of its management persons recommend other advisers.

Item 11: Code of Ethics, Participation or Interest in Client Transactions and Personal Trading

A. A copy of our Code of Ethics is available upon request. Our Code of Ethics includes discussions of our fiduciary duty to clients, political contributions, gifts, entertainment, and trading guidelines.

B. Not applicable. Formulate does not recommend to clients that they invest in any security in which Formulate, or any principal thereof has any financial interest.

- C. On occasion, an employee of Formulate may purchase for his or her own account securities which are also recommended for clients. Formulate's Code of Ethics details rules for employees regarding personal trading and avoiding conflicts of interest related to trading in one's own account. All employee trades must either take place in the same block as a client trade or sufficiently apart in time from the client trade, so the employee receives no added benefit. Employee statements are reviewed to confirm compliance with the trading procedures.
- D. On occasion, an employee of Formulate may purchase for his or her own account securities which are also recommended for clients at the same time the clients purchase the securities. Our Code of Ethics details rules for employees regarding personal trading and avoiding conflicts of interest related to trading in one's own account. All employee trades must either take place in the same block as a client trade or sufficiently apart in time from the client trade, so the employee receives no added benefit. Employee statements are reviewed to confirm compliance with the trading procedures.

Item 12: Brokerage Practices

A. Recommendation of Broker-Dealer

Formulate does not maintain custody of client assets; though Formulate may be deemed to have custody if a client grants Formulate authority to debit fees directly from their account (see Item 15 below). Assets will be held with a qualified custodian, which is typically a bank or broker-dealer. Formulate recommends that investment accounts be held in custody by Schwab Advisor Services ("Schwab"), which is a qualified custodian. Formulate is independently owned and operated and is not affiliated with Schwab. Schwab will hold client assets in a brokerage account and buy and sell securities when Formulate instructs them to, which Formulate does in accordance with its agreement with the client. While Formulate recommends that clients use Schwab as custodian/broker, clients will decide whether to do so and will open an account with Schwab by entering into an account agreement directly with Schwab. Formulate does not open the account for the client, although Formulate may assist the client in doing so. Even though the account is maintained at Schwab, Formulate may use other brokers to execute trades for the client's account as described below (see "Your brokerage and custody costs").

How Formulate selects brokers/custodians

Formulate seeks to recommend a custodian/broker that will hold client assets and execute transactions on terms that are, overall, most beneficial when compared with other available providers and their services. Formulate considers a wide range of factors, including both quantitative (Ex: costs) and qualitative (execution, reputation, service) factors. Formulate does not consider whether Schwab or any other broker-dealer/custodian, refers clients to Formulate as part of our evaluation of these broker-dealers.

Your brokerage and custody costs

For Formulate clients' accounts that Schwab maintains, Schwab generally does not charge separately for custody services but is compensated by charging the client commissions or other

fees on trades that it executes or that settle into the client's Schwab account. In addition to commissions, Schwab charges the client a flat dollar amount as a "prime broker" or "trade away" fee for each trade that Formulate has executed by a different broker-dealer but where the securities bought or the funds from the securities sold are deposited (settled) into the client's Schwab account. These fees are in addition to the commissions or other compensation the client pays the executing broker-dealer. Because of this, in order to minimize the client's trading costs, Formulate has Schwab execute most trades for the client's account. Formulate has determined that having Schwab execute most trades is consistent with Formulate's duty to seek "best execution" of client trades. Best execution means the most favorable terms for a transaction based on all relevant factors, including those listed above (see "How we select brokers/custodians").

Products and services available to Formulate from Schwab

Schwab Advisor Services™ (formerly called Schwab Institutional®) is Schwab's business serving independent investment advisory firms like Formulate. They provide Formulate and Formulate's clients with access to its institutional brokerage services (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 Formulate manage or administer Formulate's clients' accounts, while others help Formulate manage and grow our business. Schwab's support services are generally available on an unsolicited basis (Formulate does not have to request them) and at no charge to Formulate. Following is a more detailed description of Schwab's support services:

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.

Services that may not directly benefit you.

Schwab also makes available to Formulate other products and services that benefit Formulate but may not directly benefit the client or the client's account. These products and services assist Formulate in managing and administering client accounts. They include investment research, both Schwab's own and that of third parties. Formulate may use this research to service all or a substantial number of client accounts, including accounts not maintained at Schwab. In addition to investment research, Schwab also makes available software and other technology that:

- Provides 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
- Assist with back-office functions, recordkeeping, and client reporting

Services that generally benefit only us.

Schwab also offers other services intended to help Formulate manage and further develop Formulate's business enterprise. These services include:

- Educational conferences and events
- Consulting on technology, compliance, legal, and business needs
- Publications and conferences on practice management and business succession
- Access to employee benefits providers, human capital consultants, and insurance providers
- Assistance related to the transition of client assets from prior firms

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

Formulate's interest in Schwab's services

The availability of these services from Schwab benefits Formulate because Formulate does not have to produce or purchase them. Formulate doesn't have to pay for Schwab's services. These services are not contingent upon Formulate committing any specific amount of business to Schwab in trading commissions or assets in custody. Formulate may have an incentive to recommend that clients maintain accounts with Schwab, based on Formulate's interest in receiving Schwab's services that benefit Formulate's business rather than based on the client's interest in receiving the best value in custody services and the most favorable execution of client transactions. This is a potential conflict of interest. Formulate believes, however, that Formulate's selection of Schwab as custodian and broker is in the best interests of Formulate's clients. Formulate's selection is primarily supported by the scope, quality, and price of Schwab's services (see "How we select brokers/ custodians") and not Schwab's services that benefit only Formulate.

Formulate does not consider whether Schwab or any other broker-dealer/custodian, refers clients to Formulate as part of our evaluation of these broker-dealers.

B. Aggregating Trades

Commission costs per client may be lower on a particular trade if all clients in whose accounts the trade is to be made are executed at the same time. This is called aggregating trades. Instead of placing a number of trades for the same security for each account, we will, when appropriate, execute one trade for all accounts and then allocate the trades to each account after execution. If an aggregate trade is not fully executed, the securities will be allocated to client accounts on a *pro rata* basis, except where doing so would create an unintended adverse consequence (For example, if a *pro rata* division would result in a client receiving a fraction of a share, or a position in the account of less than 1%.)

Formulate does not allow clients to direct brokerage. “Directing” brokerage means choosing to maintain all or some of their assets with a broker-dealer that is not recommended by Formulate. Formulate may be unable to achieve most favorable execution of client transactions if clients choose to direct brokerage. This may cost clients’ money because without the ability to direct brokerage Formulate may not be able to aggregate orders to reduce transactions costs resulting in higher brokerage commissions and less favorable prices.

Item 13: Review of Accounts

All accounts and corresponding financial plans will be managed on an ongoing basis, with formal reviews with the client on at least annual basis. However, it is expected that market conditions, changes in a particular client’s account, or changes to a client’s circumstances will trigger a review of accounts.

All clients will receive statements and confirmations of trades directly from the custodian. Please refer to Item 15 regarding Custody.

Item 14: Client Referrals and Other Compensation

A. Economic Benefit Provided by Third Parties for Advice Rendered to Client.

Please refer to Item 12, where we discuss recommendation of Broker-Dealers.

B. Compensation to Non-Advisory Personnel for Client Referrals.

Formulate does not have any solicitor relationships to disclose.

Item 15: Custody

There are two avenues through which Formulate has custody of client funds; by directly debiting its fees from client accounts pursuant to applicable agreements granting such right, and potentially by permitting clients to issue standing letters of authorization (“SLOAs”). SLOAs permit a client to issue one document that directs Formulate to make distributions out of the client’s account(s). Clients will receive statements directly from the account custodian, and copies of all trade confirmations directly from the account custodian.

Clients whose fees are directly debited will provide written authorization to debit advisory fees from their accounts held by the qualified custodian. Each month, the client will receive a statement from their account custodian showing all transactions in their account, including the fee. We encourage clients to carefully review the statements and confirmations sent to them by their custodian, and to compare the information on reports prepared by Formulate against the information in the statements provided directly from the custodian. Please alert us of any discrepancies.

In addition to the account custodian's custody procedures, clients issuing SLOAs will be requested to confirm, in writing, that the accounts to which funds are distributed are parties unrelated to Formulate or the account custodian.

Item 16: Investment Discretion

When Formulate is engaged to provide asset management services on a discretionary basis, Formulate will monitor client accounts to ensure that they are meeting the client's asset allocation requirements. If any changes are needed to the client's investments, Formulate will make the changes. These changes may involve selling a security or group of investments and buying others or keeping the proceeds in cash. The client may at any time place restrictions on the types of investments Formulate may use on the client's behalf, or on the allocations to each security type. The client may receive at their request written or electronic confirmations from the account custodian after any changes are made to the account. The client will also receive statements at least quarterly from the account custodian. Clients engaging Formulate on a discretionary basis will be asked to execute a Limited Power of Attorney (granting Formulate the discretionary authority over the client accounts) as well as an Investment Advisory Agreement that outlines the responsibilities of both the client and Formulate.

Item 17: Voting Client Securities

Formulate does not vote proxies.

Item 18: Financial Information

Formulate does not require the prepayment of fees more than six (6) months or more in advance and therefore has not provided a balance sheet with this brochure. There are no material financial circumstances or conditions that would reasonably be expected to impair our ability to meet Formulate's contractual obligations to clients.