



## **Atomic Invest LLC**

### **Form ADV Part 2A Appendix 1 Wrap Fee Program Brochure**

April 2024

This wrap fee program brochure (“Wrap Fee Program Brochure”) provides information about the qualifications and business practices of Atomic Invest LLC (“Atomic” or the “Adviser”). If you have any questions about the contents of this brochure, please contact us at (212) 419-5036 and/ or [support@atomicvest.com](mailto:support@atomicvest.com). The information in this brochure has not been approved or verified by the U.S. Securities and Exchange Commission (“SEC”) or by any state securities authority.

The Adviser is an investment adviser registered with the SEC under the Investment Advisers Act of 1940. Registration does not imply any certain skill or training. Additional information about the Adviser is also available on the SEC’s website at [www.adviserinfo.sec.gov](http://www.adviserinfo.sec.gov).

## Item 2: Material Changes

Since the Adviser's last annual amendment in March 2023, we note the following material changes:

- The Adviser has updated its phone number to (212) 419-5036.
- The Adviser has changed its name from Helium Advisers LLC to Atomic Invest LLC. This change occurred effective February 2023.

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## **Item 4: Services, Fees and Compensation**

Atomic Invest LLC (“Atomic” or the “Adviser”) is a limited liability company based in New York, NY, incorporated under the laws of the state of Delaware on February 9, 2021, and is a registered investment adviser with the SEC. AtomicVest Inc. and Atomic Group LLC each own 50% of Atomic.

### **Program Description**

This Wrap Fee Program Brochure is provided to help clients understand the nature of the advisory services offered by the Adviser, whether the advisory services offered by Atomic are right for the client, and the potential conflicts of interest associated with the client’s participation in the Atomic Wrap Fee Program. Clients should review this Wrap Fee Program Brochure carefully. Atomic offers its discretionary investment management services through the wrap fee program (the “Atomic Wrap Fee Program”) described herein. The Adviser is the sponsor and portfolio manager for the Atomic Wrap Fee Program. As described below, Atomic tailors its portfolio management to clients by using its proprietary algorithms to evaluate a client’s risk profile to recommend a model portfolio designed to meet the client’s investment objectives and risk tolerance. Client accounts will be managed in accordance with that client’s risk profile and Atomic will use its internal algorithms to monitor clients’ account performance on a periodic basis and periodically rebalance the portfolio as required by changes in market conditions, additions, or withdrawals in a client account and/or a change in a client’s financial circumstances.

In general, wrap fee programs allow clients to pay a single fee (the “Wrap Fee”) which covers advisory fees, trading commissions, fees for brokerage and other administrative and advisory services provided by an investment adviser or the custodian. Clients are generally not charged separate fees for each component of the total services. Because wrap fee program advisers typically absorb client transaction fees, an incentive exists to limit trading activities in the wrap fee account. Depending on the wrap fee account, clients may also pay more for using a wrap fee program than they would for using non-wrap fee program services.

Clients will be required to open a custody account with Pershing LLC (“Pershing” or the “Custodian”) who will serve as the “qualified custodian” for all client accounts. Through the Investment Advisory Agreement, clients will authorize Atomic to open an account with Pershing. Pershing, an SEC registered broker-dealer and a member of the Financial Industry Regulatory Authority and the Securities Investor Protection Corporation, provides custody, clearing, and settlement services for clients, as well as other support services for the Atomic Wrap Fee Program. Atomic is viewed as having custody of client assets because the Adviser has authority to deduct fees directly from client accounts held at the Custodian. We encourage all clients to review their custodial account statements promptly upon receipt to confirm the accuracy of the information provided. Please refer to Atomic’s Form ADV Part 2A Brochure (specifically Item 15: Custody) for more information.

The Investment Advisory Agreement will set forth the terms and conditions of the services provided and the inclusion of the client’s account in the Atomic Wrap Fee Program. When clients enter into an Investment Advisory Agreement with Atomic, the client grants Atomic discretionary authority to manage his or her account under the Atomic Wrap Fee Program. Discretionary authorization allows Atomic to determine the specific securities and the number of securities to be purchased or sold for the account without a client’s approval prior to each transaction. Pershing will exercise no discretion in determining if

and when trades are placed. Discretionary authority is granted by the Investment Advisory Agreement and the appropriate trading authorization forms. Clients may limit Atomic's discretionary authority (for example, limiting the types of securities that can be purchased or sold for their account) by updating their profile by accessing their account online or through the mobile application.

## **Types of Advisory Services and Investment Strategy**

Atomic uses proprietary algorithmic-based technology to provide discretionary asset management services to its clients utilizing the internet, through a web application or a mobile phone application. In certain cases, Atomic may act as a sub-adviser to a third-party investment adviser.

The Adviser utilizes its online interface to collect client investment criteria and other information through a questionnaire (the "Questionnaire"), including but not limited to information regarding a client's financial situation, goals, objectives, and risk tolerance, to determine a suitable investment strategy within the Adviser's model portfolio offerings. The Adviser's algorithmic-based technology analyzes a client's responses to the Questionnaire to recommend a portfolio of equities, bonds and/or mutual funds/exchange traded funds (collectively, "Funds") that are determined to be suitable based on the client's targeted risk profile and other financial objectives. You understand that the model portfolio recommendation is solely based on client responses to the Questionnaire.

The client has the option to override the Adviser's model portfolio recommendation and choose one of the other model portfolios offered by the Adviser. In addition, at any time, a client may also choose between the model portfolios recommended by Atomic, or, within reasonable limitations, customize the recommended portfolio by increasing or decreasing exposure allocation to a particular industry. These actions may initiate an adjustment in the client's holdings. For more information on the types of model portfolios offered by Atomic, please see Item 6, Investment Strategies.

Clients are also permitted to choose between the model portfolios recommended by Atomic or to customize such portfolios.

A client may update his or her risk profile at any time by updating the responses to the Questionnaire, which can be accessed through a client's account online or through the mobile application. At a minimum, a client will be prompted to review and/or update the responses to the Questionnaire, including new or existing client-imposed investment restrictions, annually. Client assets are used to purchase the securities that align to the client's corresponding target asset allocation within the recommended portfolio or client selected portfolio. As a client deposits or withdraws funds from his or her account, purchases and/or sales of securities are initiated to rebalance the account in line with its target allocation. Atomic's algorithms will also rebalance a Client's Account if the investment allocations deviate from the model portfolio in excess of certain thresholds established by Atomic or as otherwise specified by the Client. The Adviser will seek to execute any rebalancing transactions promptly, however each account is managed in accordance with the proprietary algorithmic-based technology, which analyzes the trading markets to optimize the timing of trades. Atomic will utilize its discretion in determining the timing of any purchases, sales, or reallocations.

In addition, Atomic reserves the right, at any time and without notice, to delay or manage trading in response to market instability. Atomic delays or manages trading when it determines it is appropriate to respond to extraordinary circumstances of market instability, as evidenced by extreme instances of elevated localized volatility (i.e., minute-to-minute spikes in implied volatility), insufficient or unstable

market depth, price dislocation, incomplete execution, fast markets, and rapidly widening bid-ask spreads. In the event that Atomic delays placing orders in response to extraordinary market volatility for greater than sixty consecutive minutes during Atomic's typical trading hours, Atomic will seek to provide clients with notice of such delay. For the avoidance of doubt, Atomic does not delay or manage trading based on any view about whether markets are likely to rise or fall.

Subject to each client's agreement with the Adviser (the "Investment Advisory Agreement"), client assets will be invested in equities and fixed income securities and unaffiliated exchange traded funds ("ETFs"), as applicable to the selected model portfolio. After the initial client investment, a client may choose to participate in the Smart Contributions Services. As a participant in Smart Contributions Services, a client will authorize the Adviser, through its proprietary algorithmic-based technology, to analyze the client's bank account for excess cash and the Adviser will make recommendations to the client for amounts to be invested initially and periodically, subject to the client's approval. A client may disable the Smart Contribution Service at any time upon one (1) business day notice to Atomic through the client's account online or through the mobile application, however any transactions in progress will be completed and cannot be revoked. Atomic will rely on information from the client's third-party banking institution. If inaccurate information is provided to Atomic by a third-party banking institution, such as an incorrect bank account balance amount, this could cause Atomic to over- or under-withdraw amounts from a client's bank account. If Atomic overdraws from a client's bank account, the client may incur overdraft fees from the third-party banking institution. This also could result in market exposure that is greater or less than the client's desired investment exposure in the account. Moreover, the timing of such transactions will also depend on the speed in which such third-party banking institutions process such transfers.

Clients are given the opportunity to modify their recommended or individually-selected portfolio in two different ways. First, a client may customize his or her portfolio as described above. Second, clients can choose to have the Adviser apply Environmental, Social or Governance ("ESG") considerations when building their portfolio. The Adviser will implement the ESG overlay while maintaining the client's target risk profile and will seek to substitute or increase allocations to companies that have certain environmental and social characteristics while avoiding investments in other businesses based on the stated ESG criteria. The strategies will provide clients with the ability to select certain ESG screens that will be applied to the client's portfolio. ESG screens may be selected upon account opening or any time thereafter for no additional charge by providing an election to Atomic through the online platform or through the mobile phone application and selecting the desired ESG screens. Clients who choose to apply any ESG screens to their portfolio may perform differently than portfolios within the same risk profile that have not applied the ESG screens. Once the portfolio of stocks, bonds and/or Funds is determined based on the Questionnaire, including client preferences, and modifications, the Adviser's algorithms will manage each client's portfolio seeking to track their target risk allocation.

Although the client will be contacted at least annually to do so, it is the client's responsibility to update the Questionnaire by accessing your account online or through the mobile application when a change is desired and/or the restriction(s) is (are) no longer wanted by the client.

Atomic also offers tax-loss harvesting services. Tax-loss harvesting is a technique designed to help lower a client's taxes while maintaining the expected risk and return profile of the client's portfolio. It harvests unrecognized investment losses to offset taxes due on the account's other gains and income by selling a security at a loss to accelerate the realization of capital loss and investing the proceeds in a security with

closely correlated risk and return characteristics. The realized loss can be applied to lower your tax liability and the tax savings can be reinvested to grow the value of your portfolio. Tax loss harvesting is available to all clients who choose our recommended portfolios. It is also available to clients who customize our recommended portfolios.

Clients should understand that Atomic has discretion to limit or postpone tax-loss harvesting to prioritize other trading activity on any given day, including days where extreme market conditions introduce factors such as intraday price volatility or extreme trading volumes. Clients should also be aware that electing different portfolio strategies across their investing goals will, depending on the securities held in an account and market conditions, cause the tax loss harvesting algorithm to identify fewer opportunities to harvest losses than it would if a client elects the same portfolio strategy for all of their goals. The tax loss harvesting algorithm is designed to reduce the potential for wash sales, but does not constitute or provide comprehensive tax advice to clients. Clients are solely responsible for the determination of whether, and when, to enable these features in their accounts, as well as any tax consequences arising from any transaction associated with these features. In providing the tax loss harvesting service, Atomic will use information on your income if provided or a default tax rate, which will be 22% for short-term and 15% for long-term capital gains. This tax rate may or may not correspond to a client's individual tax rate. Clients are encouraged to consult with their own tax advisors prior to enabling this feature, and for ongoing tax-related advice.

## **Fees and Compensation**

Atomic's standard investment advisory fee for each strategy in the Atomic Wrap Fee Program is 1.00% per annum based on the aggregate net asset value in the client's account, though it may vary by client as fees are negotiable in certain circumstances. For corporate treasury investment management services, Atomic's standard fee is based on the aggregate net asset value in the client's account. The more money you invest with us the more fees you will pay; therefore, we have an incentive to encourage you to increase your assets in your account. The investment advisory fee for accounts in the Atomic Wrap Fee Program also includes custody fees and transaction commissions, however clients will be responsible for certain fees and costs in addition to this fee. For more information, see Atomic's Form ADV Part 2A Brochure – Item 12: Brokerage Practices.

The investment advisory fee will be accrued daily and collected monthly in arrears. If a client terminates his or her account before the month end, the investment advisory fee will be prorated. Investment advisory fees will also be collected when processing withdrawal requests that will result in not having enough assets in the account to pay any fees that are due at the time of the withdrawal. In the event a client account does not include a cash balance adequate to pay any accounts fees, Atomic will sell client assets without notice to the client to pay any such account fees. Investment advisory fees will be based on the market value of the securities using an independent pricing source, including any cash in the client's account at the end of each business day, as of the close of trading on the New York Stock Exchange ("NYSE") or as of the immediately preceding close of the NYSE for days when the NYSE is closed. The Adviser may reduce or waive its fees without notice to clients.

The specific methodology used to charge fees is set forth in the Investment Advisory Agreement between each client and the Adviser. As part of the Investment Advisory Agreement, clients will be asked to provide written authorization for the Adviser to directly invoice its investment advisory fees to the Custodian so that the Custodian can remit payment to the Adviser.

Investment advisory fees payable to Atomic do not include all of the fees a client will pay. In addition to certain other fees, Clients will also be responsible for fees charged by any Funds held within a client's account. These fees are set forth in the applicable fund's prospectus and are deducted from a fund's net asset value. If you are utilizing another advisor, you will be responsible for any fees charged by that advisor in addition to the investment advisory fees payable to Atomic.

Supervised persons of Atomic, including personnel also supervised by Atomic's affiliate, Atomic Brokerage LLC, 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.

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

Atomic's clients generally include individuals, high net worth individuals, retirement plans, trusts, estates, bank trust funds, charitable organizations, non-profit organizations, registered investment advisers, and other business entities. There is generally no minimum amount required to open or maintain an account with Atomic. However, Atomic reserves the right to impose a minimum account size in the future, and to increase or decrease the minimum account size in its discretion.

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

### **Method of Analysis**

Atomic provides investment advice based on proprietary algorithms that analyze client risk profiles, investment objectives and other information to construct, revise and otherwise recommend model portfolios based on target risk levels with asset allocation targets composed initially of equities, fixed income and/or Funds. As described in more detail below, the Adviser will use ETFs to represent the fixed income portion of any portfolio with a bond allocation. Any ETFs utilized in the algorithm will be selected broadly, based on their overall level of risk, liquidity, tracking error to underlying indices (where applicable), cost of ownership and popularity. The Adviser's algorithms periodically monitor client portfolios and periodically will rebalance them to the extent that the portfolio has drifted outside of acceptable ranges established by the Adviser or as otherwise provided by the client.

### **Investment Strategies**

The Adviser maintains model portfolios that are recommended to clients based on each client's responses to the Questionnaire. The firm's proprietary algorithmic-based technology reviews clients' inputs to recommend a suitable model portfolio. Clients may choose to impose certain restrictions on their account, such as environmental, social or governance ("ESG") related restrictions, or individual security restrictions, which may be provided at account opening or at any time thereafter at no additional cost. These restrictions may be accepted or rejected as reasonably determined by Atomic in its sole discretion. However, you should be aware that accounts with restrictions imposed may perform differently, sometimes materially, than other accounts using the same or a similar strategy. In addition, for clients that desire to include an ESG overlay in their portfolios, Atomic builds modified versions of the model portfolios that seek to include these considerations in security selection while maintaining a risk profile that is comparable to the respective non-ESG risk level portfolio. There may be tracking errors in the performance of an ESG portfolio as compared to a non-ESG portfolio that is managed to the same risk profile. Other client-imposed investment restrictions may also result in tracking error. The Adviser's model

portfolios are long-only, and will not include leverage, security lending, or derivatives except where such investments are within an ETF that is included in the portfolio.

The Adviser anticipates each model portfolio (described below) will consist of a sub-portfolio of individual equities and one or more ETFs. Fixed income allocations will be represented by one or more ETFs.

The equity component of any model portfolio will be represented by U.S. and non-U.S. global equities based on criteria established by the Adviser. The Adviser reserves the ability to remove individual stocks that otherwise would be included in a model portfolio in its discretion, such as if the ability to trade a particular stock becomes too burdensome in a particular jurisdiction.

For clients who select an ESG overlay for their portfolio, the Adviser will also maintain applicable ESG versions of each of the model portfolios above. The equity portion of the portfolios will overweight equities with certain social impact characteristics and will also exclude equities with businesses that do not meet the applicable ESG selection criteria. Atomic's algorithmic models will make these determinations using information received from ESG research providers. This will result in equity portfolios that will include a smaller number of equities than the non-ESG portfolio and with different weights, but the Adviser will take care to produce ESG portfolios that have similar risk characteristics to their respective non-ESG risk level portfolio. In the case of an ESG portfolio, the fixed income portion of the portfolio will also be replaced by one or more ESG ETFs with the same overall weight.

Atomic will not actively manage cash balances in a client's account. All cash balances are invested in the Custodian's default cash sweep vehicle. Atomic receives revenue sharing from the Custodian with respect to any Atomic account assets that are invested in such a cash sweep vehicle. The more cash that is deposited in the custodian's cash sweep vehicle, the greater the amount of revenue sharing Atomic will receive. This presents a conflict of interest because Atomic has an incentive to encourage clients to invest cash balances in the cash sweep vehicle over other options or investment products.

## **Risk of Loss**

Investing in securities involves risk of loss that clients should be prepared to bear, and all investment programs have certain risks that are borne by the investor. Clients who invest in any of the strategies offered by the Adviser in the Atomic Wrap Fee Program must understand the following material risks. Atomic notes that the risks described below are not inclusive of all possible risks associated with Atomic's investment advisory strategies:

**Use of Algorithms.** The services provided by the Adviser are delivered to clients through electronic means, utilizing an online platform and mobile phone application. The services are also provided using proprietary quantitative models. The Adviser has rigorously designed, developed, and tested its models prior to offering them to clients. The Adviser has also implemented a control environment that periodically monitors the behaviors of such models after deployment. Notwithstanding the Adviser's controls, the models may not always perform exactly as intended or as disclosed to clients. The Adviser continuously strives to monitor, detect, and correct any models that do not perform as expected or as disclosed.

It is possible that clients or the Adviser itself may experience computer equipment failure, loss of internet access, viruses, or other events that may impair access to the Adviser's algorithmic-based investment advisory service. These failures may result in loss of principal, which in certain cases will be borne by the client. See Cybersecurity Risks below for more information.



**Artificial Intelligence Risk.** Broadening use of artificial intelligence, including so-called “generative artificial intelligence,” presents investment and other risks. Artificial intelligence can yield anomalous and incorrect results (sometimes called “hallucinations”) because the technology is still in development, artificial intelligence algorithms or training methodologies may be flawed, and datasets may be limited, dated, overbroad, insufficient, or contain biased information and other factors. Where Atomic uses artificial intelligence in formulating advice or for other purposes, the Adviser seeks to evaluate the artificial intelligence technology and monitor its performance (including for anomalous or unreliable results), but the complexity and non-transparent nature of artificial intelligence, including any self-learning or generative aspects that allows artificial intelligence to continually be modified and evolve (including without human involvement) may complicate if not impede these efforts, and in some cases can be expected to limit our ability to detect or identify aberrations until well after the fact. These limitations also can be expected to affect our third-party providers of products, services and information that directly or indirectly use artificial intelligence (including where they obtain products, services and information from other parties that use artificial intelligence), all of which may not be fully transparent. Artificial intelligence is subject to regulation by global, national, and other regulators.

**Environmental, Social, and Governance Investing Risk.** An account that employs an ESG investing strategy, which typically selects or excludes securities of certain issuers for reasons other than performance, carries the risk that the account’s performance will differ from accounts invested using the same or similar strategies that do not utilize an ESG investing strategy. For example, the application of these restrictions could affect the account’s exposure to certain sectors or types of investments, which could negatively impact the Account’s performance. Socially responsible norms differ by region, and an issuer’s ESG practices or the Adviser’s assessment of an issuer’s ESG practices may change over time.

**Interest-Rate Risk.** The risk that interest rates will rise to a higher level than the security holder is currently paid. Fluctuations in interest rates may cause investment prices to fluctuate. For example, when interest rates rise, yields on existing bonds typically become less attractive, causing their market values to decline.

**Market Risk.** The risk that the price of a security, bond, or Fund may change 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.

**Potentially High Levels of Trading Risk.** Certain situations, such as the simultaneous receipt of a high volume of client deposits or withdrawal requests, can lead the Adviser to engage in high levels of trading. High levels of trading could result in (a) bid-ask spread expense; (b) trade executions that may occur at prices beyond the bid-ask spread (if quantity demanded exceeds quantity available at the bid or ask); (c) trading that may adversely move prices, such that subsequent transactions occur at worse prices; (d) trading that may disqualify some dividends from qualified dividend treatment; (e) unfulfilled orders or portfolio drift, in the event that markets are disorderly or trading halts altogether; and (f) unforeseen trading errors.

**Tax-Loss Harvesting Risk.** Clients who activate our tax-loss harvesting service are alerted to the following risks:

- Clients should confer with their own tax advisor regarding the tax consequences of investing with Atomic and engaging in the tax-loss harvesting strategy, based on their particular circumstances.

Clients and their personal tax advisors are responsible for how the transactions in the Client's account are reported to the Internal Revenue Service ("IRS") or any other taxing authority. Atomic does not provide tax advice and cannot advise on the tax consequences of any transaction, including any capital gains and/or wash sales that may result from the tax-loss harvesting strategy.

- Atomic's tax-loss harvesting service is not intended as tax advice, and Atomic does not represent in any manner that the tax consequences described will be obtained or that Atomic's investment strategy will result in any particular tax consequence.
- The performance of the new securities purchased through the tax-loss harvesting service may be better or worse than the performance of the securities that are sold for tax-loss harvesting purposes.
- Atomic's tax-loss harvesting service is designed to avoid creating "wash sales" in clients' accounts. Clients, however, are responsible for monitoring their accounts outside of Atomic to ensure that transactions in the same security or a substantially similar security do not create a wash sale. A wash sale occurs when a taxpayer sells a security at a loss and then purchases the same security or a substantially similar security over a period of 61 days: the day of the sale, the 30 days before the sale, and the 30 days after the sale. If a wash sale occurs, the IRS may disallow or defer the loss for current tax reporting purposes. Wash sales can occur even if the securities are sold and then bought in different accounts.
- Not all the losses may be used to offset gains in the year they were recognized due to wash sales. Thus, certain sales can diminish the effectiveness of tax-loss harvesting by deferring to a future year a tax loss that could have been used to offset income or capital gains in the current year.

**Security Selection Risk.** The risk that individual securities may decline in value due to negative news or fundamental developments specific to the issuer. The rationale for selecting the security either may not be correct or the market may not recognize the value.

**Stock Investments.** Stock markets are volatile and can decline significantly in response to adverse issuer, political, regulatory, market, or economic developments. Different parts of the market can react differently to these developments. In addition, stock investments are subject to risk related to market capitalization as well as company-specific risk.

**ETF Risks.** ETF performance may not exactly match the performance of the index or market benchmark that the ETF is designed to track because 1) the ETF will incur expenses and transaction costs not incurred by any applicable index or market benchmark; 2) certain securities comprising the index or market benchmark tracked by the ETF may, from time to time, temporarily be unavailable; and 3) supply and demand in the market for either the ETF and/or for the securities held by the ETF may cause the ETF shares to trade at a premium or discount to the actual net asset value of the securities owned by the ETF. Certain ETF strategies may, from time to time, include the purchase of fixed income, commodities, foreign securities, American Depositary Receipts, or other securities for which expenses and commission rates could be higher than normally charged for exchange traded equity securities, and for which market quotations or valuation may be limited or inaccurate.

Clients should be aware that to the extent they invest in ETF securities they will pay two levels of advisory compensation – the advisory fees charged by the Adviser plus any management and other fees charged by the ETF, which is described in the ETF's offering documents. This will cause a higher investment advisory cost (and lower investment returns) than if a client purchased the ETF directly.

**Inflation Risk.** The risk that the value of a dollar will not be worth as much as anticipated. That is, inflation will be higher than expected.

**Liquidity Risk.** The risk that an investor will be unable to buy or sell a security at a reasonable price at a certain point in time. This may occur if there is a limited quantity available or only a few market makers willing to trade. For example, U.S. Treasuries are quite liquid, while an equity security subject to a regulatory halt would be illiquid.

**Credit Risk.** The risk that a bond will default or be significantly downgraded by one of the recognized credit agencies. Although Treasury instruments are backed by the U.S. government, there have been occasions in the past when a specific U.S. bond has been downgraded. Although the Adviser typically invests in ETFs representing investment-grade debt, there is no guarantee that a bond will not be downgraded or default on the loan. Credit risk is generally a higher risk for corporate debt than government or municipal bonds.

**Call Risk.** The risk that an issuer will repay (call) a bond prior to maturity. The issuer will return the investor's principal early. The investor will generally accept a lower interest payment when reinvesting that principal.

**Prepayment Risk.** The risk that mortgage-backed bonds are usually subject to prepayment risk and the issuer will pay back the principal prior to maturity. This generally occurs when mortgage rates decline, and property owners refinance the debt at lower rates.

**Cybersecurity Risks.** With the increased use of technology to conduct business, the Adviser and its affiliates are susceptible to operational, information security, and related risks. In general, cyber incidents can result from deliberate attacks or unintentional events that can arise from external or internal sources. Cyberattacks include, but are not limited to, gaining unauthorized access to digital systems (e.g., through "hacking" or malicious software coding) for purposes of misappropriating assets or sensitive information; corrupting data, equipment, or systems; or causing operational disruption. Cyberattacks can also be carried out in a manner that does not require gaining unauthorized access, such as causing denial-of-service attacks on websites (i.e., efforts to make network services unavailable to intended users). Cyber incidents affecting the Adviser, its affiliates, or any other service providers (including but not limited to custodians and financial intermediaries) have the ability to cause disruptions and impact business operations, potentially resulting in financial losses, interference with the ability to calculate asset prices, impediments to trading, the inability to transact business, destruction to equipment and systems, violations of applicable privacy and other laws, regulatory fines, penalties, reputational damage, reimbursement or other compensation costs, or additional compliance costs.

Similar adverse consequences could result from cyber incidents affecting issuers of securities in which an account invests, counterparties with which an account engages in transactions, governmental and other regulatory authorities, exchange and other financial market operators, banks, brokers, dealers, insurance companies and other financial institutions (including financial intermediaries and service providers) and other parties.

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

At account opening, clients provide their age, financial condition, employment status, investment objectives, time horizon, and risk tolerance, which Atomic's algorithm then considers to construct, revise, and recommend portfolios with target asset allocations comprising equity and fixed-income ETFs. Client

accounts will be managed in accordance with their risk profile and Atomic will use its internal algorithm to monitor each client's account performance on an ongoing basis and rebalance the portfolio as required by changes in market conditions and/or a client's financial circumstances. On a periodic basis, Atomic asks clients to update their profile.

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

Atomic generally does not place restrictions on clients' ability to contact and consult with Atomic and its personnel. Clients may contact Atomic and its personnel regarding their account via email or phone.

## **Item 9: Additional Information**

### **Disciplinary Information**

Neither Atomic nor its management persons have been involved in any material legal or disciplinary events reportable under this item.

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

Atomic has an affiliated broker-dealer, Atomic Brokerage LLC ("Atomic Brokerage"). Atomic Brokerage does not currently provide brokerage services to Atomic investment advisory clients in connection with their Atomic advisory accounts. Atomic and Atomic Brokerage share some of the same personnel and ultimately are controlled by the same parent company, AtomicVest Inc. The Operations and Compliance Departments, in particular, share personnel between Atomic and Atomic Brokerage.

### **Code of Ethics**

Atomic maintains a Code of Ethics that requires employees to conduct themselves in a highly ethical manner. Therefore, our Code of Ethics includes guidelines for professional standards of conduct for people associated with our firm. Our goal is to protect the interests of our clients and demonstrate our commitment to our fiduciary duties of honesty, good faith, and fair dealing. All employees are expected to adhere strictly to the Code of Ethics and report any violations. Additionally, our employees are strictly prohibited from using material, non-public information relating to our clients, their account holdings, or any recommendation or pending transaction for a client.

Atomic and its employees are permitted to purchase or sell securities for themselves in their personal investment accounts. In addition, Atomic and its employees could have an investment in securities that also reside in client accounts. Atomic's personnel do not recommend securities to clients. The trading algorithm and client preferences ultimately drive the holdings for each account. Atomic does not have an incentive to recommend a security to clients for its own gain, or to buy or sell securities based on their own interests instead of the client's interests. This conflict is further mitigated through Atomic's compliance policies and procedures and its surveillance activities, as well as the automated nature of its trading strategies. Moreover, the Code of Ethics and other Atomic policies are designed to prevent Atomic's interests being placed ahead of Atomic's clients. Personnel are required to submit an annual holdings report and quarterly transaction report, which shows those employees' personal securities holdings and trading activity. The Code of Ethics and other Atomic policies impose sanctions if certain of these requirements are violated.

Where permissible by applicable law, and after complying with applicable regulatory requirements, certain orders can be executed on a principal basis. Fractional shares, for example, can be created as a

result of smaller sized purchases that don't equate to round lots, the division of an account or a transfer into the client's account from an outside firm. As an accommodation to a client, fractional shares can be sold on a principal basis to the Adviser at the same price as whole shares of the same issuer are sold to a third party.

You may request to receive a copy of the Adviser's Code of Ethics by emailing [support@atomicvest.com](mailto:support@atomicvest.com)

## **Review of Accounts**

The Adviser provides its clients with real-time access to their investment account information through the online platform, also known as the Application ("App"). Additionally, clients receive copies of their account statements and other account information. The Adviser's algorithms periodically review client accounts to confirm client portfolios are in line with the model risk-level portfolio allocations, which are established by the Adviser. If a client's portfolio deviates from this range (within certain tolerance thresholds), the Adviser will rebalance such portfolio back to its target allocation. Atomic's algorithms will determine the timing of such transactions. While accounts are monitored by the Adviser's algorithms, clients should be aware that their individual accounts are generally not actively monitored directly by investment advisory personnel.

## **Voting Client Securities**

Clients delegate proxy voting authority to Atomic, who has adopted Proxy Voting Policies and Procedures ("Proxy Policies") that require the Adviser to vote proxies received in a manner consistent with the best interest of its clients. The Adviser utilizes the services of Institutional Shareholder Services Inc. ("ISS") and will generally vote with ISS recommendations. The Adviser may poll users for issues they care about and will take into consideration the results of the polls when voting proxies, however, the Adviser will retain ultimate authority and may vote in the opposite direction of the polls. Atomic will only vote on proxies relating to securities held in client accounts. Atomic will abstain from voting any proxies if it determines that abstaining is in the best interest of its clients, if there is a potential conflict of interest or as otherwise provided in the Proxy Policies.

The Adviser's Proxy Policies are reasonably designed to mitigate conflicts of interest. Atomic will identify any conflicts that potentially exist between the interests of the Adviser and those of the client. The relationship between the Adviser and the issuer is reviewed to determine if the Adviser or any of its employees have a financial, business, or personal relationship with the issuer. In the event a material conflict of interest exists, Atomic will determine whether it's appropriate to disclose the conflict to affected clients. All records on the resolution of such conflicts will be maintained. Atomic earns revenue from companies that issue proxies for facilitating the processing and delivery of the proxies to Atomic's clients. The revenue earned by Atomic is not contingent on whether or how Atomic or its clients vote proxies, or the identity of funds and other securities that Atomic includes in client accounts, which is not influenced by these payments. Clients may request information regarding how the Adviser voted a client's proxies, and clients may request a copy of Atomic's Proxy Policies, which may be updated from time to time, by emailing [support@atomicvest.com](mailto:support@atomicvest.com).

## **Client Referrals and Other Compensation**

The Adviser will receive revenue sharing from Pershing with respect to any margin interest paid by Atomic clients in connection with margin loans made to such clients by Pershing. Margin loans may be obtained

by a client to receive automatic withdrawals (pre-settlement of security sales) or for other purposes as determined by the client. The more a client utilizes margin loans will result in greater margin interest revenue sharing that will be received by Atomic.

The Adviser will also receive revenue sharing from Pershing with regard to Atomic client cash balances in Pershing's cash sweep vehicle. Client's must open an account with Pershing to receive Atomic's services. The more cash that is deposited in the custodian's cash sweep vehicle, the greater the amount of revenue sharing Atomic will receive. These revenue sharing arrangements with Pershing create a conflict of interest as the Adviser has an incentive to recommend certain investments or strategies that involve margin loans. Similarly, the Adviser has an incentive to encourage clients to use Pershing's cash sweep vehicle and to increase the amount of cash held in that vehicle.

Atomic enters into agreements with various third-party companies for the purpose of those companies introducing their users to new services and offerings of the Adviser that may be of potential benefit to them. These third parties will receive cash compensation from Atomic for such referrals. The decision of whether to accept or implement the Adviser's services is at the complete discretion of the client and the client will not be charged for any such referral services (see Item 4 on Fees and Compensation).

### **Financial Information**

Atomic has no financial commitment reportable under this item that impairs its ability to meet contractual and fiduciary commitments to clients. Atomic is not required to provide a balance sheet as the Adviser does not require prepayment of fees of more than \$1,200 per client, and six months or more in advance.