

**Part 2A of Form ADV: Firm Brochure****Optimized Investment Partners, LLC**

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This disclosure brochure (the “Brochure”) provides information about the qualifications and business practices of Optimized Investment Partners, LLC (“Optimized”). If you have any questions about the contents of this Brochure, please contact us at 619-324-9510 or [compliance@Optimizedip.com](mailto:compliance@Optimizedip.com). The information in this Brochure has not been approved nor verified by the United States Securities and Exchange Commission (“SEC”) nor by any state securities authority. Registration with the Securities and Exchange Commission does not imply any level of skill or training.

Additional information about Optimized and its investment adviser representative is also available on the SEC’s website at [www.adviserinfo.sec.gov](http://www.adviserinfo.sec.gov). You can search this site by name or by a unique identifying number, known as a CRD number. Our firm's CRD number is 322145.

## **ITEM 2 MATERIAL CHANGES**

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1. Material Changes: Added one additional client.

### **ITEM 3 TABLE OF CONTENTS**

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Item 1 Cover Page.....	1
Item 2 Material Changes.....	2
Item 3 Table of Contents.....	3
Item 4 Advisory Business.....	5
Item 4A: Firm Overview.....	5
Item 4B: Types of Advisory Services.....	5
Item 4C: Tailoring Advisory Services Offered Directly to Clients.....	5
Item 4D: Services Offered Through Wrap Fee Programs, Sub- Advisory Arrangements and Dual Contract Sponsored Programs.....	6
Item 4E: Assets Under Management.....	6
Item 5 Fees and Compensation.....	6
Item 5A: Fee Schedules.....	6
Item 5B: Fee Payment.....	7
Item 5C: Other Fees and Expenses and Valuation Policy.....	7
Item 5D: Prepaid Fees.....	8
Item 5E: Compensation for the Sale of Securities or Investment Products.....	8
Item 6 Performance-Based Fees and Side-By-Side Management.....	8
Item 7 Types of Clients.....	9
Item 8 Methods of Analysis, Investment Strategies and Risk of Loss.....	9
Item 8A: Methods of Analysis & Investment Strategies.....	9
Item 8B: Material Risks.....	10
Item 8C: Risks Associated with Particular Types of Securities Used.....	11
Item 9 Disciplinary Information.....	12
Item 10 Other Financial Industry Activities and Affiliations.....	12
Item 11 Code of Ethics, Participation or Interest in Client Transactions and Personal Trading.....	12
Item 11A: Code of Ethics.....	12
Item 11B: Principal Trading and Agency Cross Trading.....	13
Item 11C: Personal Trading.....	13

Item 11D: Participation or Interest in Client Transactions.....	13
Item 12 Brokerage Practices.....	13
Item 12A: Broker-Dealer Selection, Compensation & Trade Aggregation.....	13
Item 12A.1: Research and Other Soft Dollar Benefits.....	14
Item 12A.2: Brokerage for Client Referrals.....	14
Item 12A.3: Directed Brokerage.....	14
Item 12B: Aggregating Client Trades.....	14
Item 13 Account Reviews.....	15
Item 13A: Periodic Account Reviews.....	15
Item 13B: Other Reviews.....	15
Item 13C: Reporting.....	15
Item 14 Client Referrals and Other Compensation.....	15
Item 14A: Other Compensation.....	15
Item 14B: Client Referrals.....	15
Item 15 Custody.....	15
Item 16 Investment Discretion.....	16
Item 17 Voting Client Securities.....	16
Item 17A: Proxy Voting.....	16
Item 17B: Client Retains Right to Vote Proxies.....	16
Item 18 Financial Information.....	16
Item 18A: Financial Statement Requirement.....	16
Item 18B: Financial Condition.....	16
Item 18C: Bankruptcy Disclosure.....	16
Item 19 Requirements for State Registered Investment Advisors.....	16
Item 19A: Principal Executive Officers.....	16
Item 19B: Other Active Engagements.....	17
Item 19C: Performance Based Fees.....	17
Item 19D: Material Events.....	17
Item 19E: Issuer Relationships.....	17

## **ITEM 4 ADVISORY BUSINESS**

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### **ITEM 4A: FIRM OVERVIEW**

Optimized Investment Partners, LLC. (“Optimized”) is a California state-registered investment adviser with its principal place of business located in Encinitas, California. Founded in April 2022, Optimized will provide non-discretionary fixed income investment advisory services to California local agencies and municipalities within the public sector.

Listed below are the firm's principal shareholders (i.e., those individuals and/or entities controlling 25% or more of this company).

- David Bilby, CEO

### **ITEM 4B: TYPES OF ADVISORY SERVICES**

Optimized offers the following advisory services, where appropriate, to public agencies in the state of California. The portfolio management services are offered to clients directly.

#### **FIXED INCOME PORTFOLIO MANAGEMENT**

Optimized specializes in fixed income portfolio management, utilizing a variety of investments as listed in California government code section 53600. Please refer to Item 8 for further information on our method of analysis and risks associated with this strategy.

#### **CONSULTING SERVICES**

Optimized also provides more focused consulting services and advice to clients. This may include, but is not limited to, specific investment advice, investment policy review, financial analysis, cash-flow modeling, and many other areas of governmental financial management and administration.

### **ITEM 4C: TAILORING ADVISORY SERVICES OFFERED DIRECTLY TO CLIENTS**

Prior to engaging in discussions with a prospective client, a thorough review is done of the agency's financial statements and investment policy to determine overall financial health and position. A determination is made if our tailored advisory services could benefit the agency. Upon initial contact with the prospective client, we discuss their investment policy and investment goals, and confirm that our selected approach meets their current needs. A preliminary summary of recommendations is provided prior to engaging in contractual services. Upon contract execution, our initial investment model for the agency is completed. We customize the model as appropriate, based upon the client's individual objectives, time horizons, risk tolerance, liquidity needs, and any investment restrictions they may want to place on the assets in their account. As a part of our service, we provide financial and investment education to the elected officials, executive staff, and finance staff to ensure all parties are working together towards the desired outcome. Clients are responsible for informing us of any changes to their guidelines, individual needs and/or restrictions and should do so promptly upon such change. We do not assume any responsibility for the accuracy of the information provided by the client. Generally, we manage clients' advisory accounts on a non-discretionary basis but will manage a client's account on a discretionary basis, if requested by a client. Please refer to Item 16 for further information on our discretionary authority of client accounts. Please refer to Item 8 for further information on the

risks associated with investments made in clients' accounts. Clients will retain individual ownership of all securities at all times through their selected custodian.

#### **ITEM 4D: SERVICES OFFERED THROUGH WRAP FEE PROGRAMS**

Optimized does not currently participate in wrap fee programs. This brochure will be updated if participation in wrap fee programs is considered in the future.

#### **ITEM 4E: ASSETS UNDER MANAGEMENT**

As of the date of this amendment filing (4/1/2024), Optimized Investment Partners has approximately \$165,000,000 in assets under management.

#### **ITEM 5 FEES AND COMPENSATION**

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##### **ITEM 5A: FEE SCHEDULES**

The annual fee for client accounts is charged as a percentage of assets under management, according to the following schedules:

##### **Fixed Income Portfolio Management for Institutional Accounts Assets Under Management**

###### **Annual Asset Management Fee**

A maximum of 0.25 of 1% (25 basis points) per year, billed monthly pro-rata. (IE. AUM \$3 million = \$7,500 annually, \$625 monthly)

A minimum of \$1.5 million in assets under management is required for this service. Optimized reserves the right to negotiate alternative minimum account size and fees on a case-by-case basis. Optimized will aggregate certain related client accounts for the purposes of achieving the minimum account size and determining the annualized fee.

Optimized's fees for clients are typically paid monthly, in arrears, but can vary based on the terms of the governing agreements.

##### **CONSULTING SERVICES FEES**

Optimized's Consulting Services fees will be determined based on the nature of the services being provided and the complexity of each client's circumstances. All fees are agreed upon prior to entering a contract with any client. Optimized's Consulting Services fees are calculated in one or both of two ways: 1. On a fixed fee basis, subject to the specific arrangement reached with the client; and/or 2. On an hourly basis, ranging up to \$350.00 per hour. An estimate for the total hours is determined at the start of the consulting relationship. The length of time it will take to complete Consulting Services will depend on the scope and terms of the engagement. Fees are due and payable upon completion of the Consulting Service or on an agreed upon payment schedule. There is no minimum fee for Optimized's Consulting Services. A typical flat fee range for consulting services will be between \$1,000 and \$5,000.

Pre-existing advisory clients are subject to Optimized's minimum account requirements and advisory fees in effect at the time the client entered the advisory relationship. Therefore, our firm's minimum account requirements and advisory fees differ among clients.

**Advisory Fees in General:** Clients should note that similar advisory services may or may not be available from other registered investment advisers for similar or lower fees. Optimized's clients are not required to pay any start-up or closing fees; there are no penalty fees.

**Termination of the Advisory Relationship:** A client agreement between a client and Optimized may be canceled at any time, by either party, for any reason upon receipt of 30 day's written notice.

**Fee Calculation:** Optimized's annual advisory fee is billed monthly or in some instances quarterly, in arrears, and is calculated based on the average market value of a client's account for the billing period, including accrued interest unless indicated otherwise in the client agreement. Typically, the market value is taken from the monthly custodian account statements. Demand deposit cash (checking account) is not included in the total market value calculation unless noted otherwise in the client agreement. We will value securities or investments in the portfolio in a manner determined in good faith to reflect fair market value. Optimized uses an independent third-party pricing source to value client securities.

**Limited Negotiability of Advisory Fees:** Although Optimized has established the aforementioned fee schedule(s), we retain the discretion to negotiate alternative fees on a case-by-case basis. Client facts, circumstances and needs will be considered in determining the fee schedule. These include the complexity of the client, the assets to be placed under management, the anticipated future additional assets; the existence of any related accounts; portfolio style, account composition, reports, among other factors. The specific annual fee schedule will be identified in the written agreement between Optimized and each client. We group certain related client accounts for the purposes of achieving the minimum account size requirements and determining the annual advisory fee. Such rates are not available to all Optimized's advisory clients.

#### **ITEM 5B: FEE PAYMENT**

Optimized provides invoices to our clients monthly for their advisory fees. Clients issue checks or ACH payment for services rendered.

#### **ITEM 5C: OTHER FEES AND EXPENSES AND VALUATION POLICY**

**Mutual Fund Fees:** All fees paid to Optimized for investment advisory services are separate and distinct from the fees and expenses charged by mutual funds and/or ETFs to their shareholders. The fees and expenses charged by mutual funds and ETFs are described in each fund's prospectus. These fees will generally include a management fee, other fund expenses, 12b-1 fees and possible distribution or redemption fees. If the fund also imposes sales charges, a client may pay an initial or deferred sales charge. A client could invest in a mutual fund directly, without our services. In that case, the client would not receive the services provided by our firm which are designed, among other things, to assist the client in determining which mutual fund or funds are most appropriate to each client's financial condition and objectives. Importantly, clients should review both the fees charged by mutual funds and ETFs and our fees to fully understand the total amount of fees to be paid by the client and to thereby evaluate the advisory services being provided. Optimized is not affiliated with any mutual funds or ETFs, does not share in the fees charged by mutual funds and ETFs, does not participate in the investment decisions regarding the portfolios of mutual funds and ETFs and is not liable regarding such investments.

The fees and related expenses charged by mutual funds and ETFs can be found in the respective fund's prospectus and statement of additional information, which should be read carefully before investing.

#### Short Term Idle Cash Investment:

For discretionary clients, Optimized may move some or all the non-invested cash in a client's account to a money market mutual fund that may generate an interest return. If the cash is invested through a mutual fund, there may be times when an affiliate of the client's custodian may be the manager of such fund and would receive separate management fees from the mutual fund. Optimized is not affiliated with any such custodian, does not share in that fee, does not participate in the investment decisions of the mutual fund portfolio and is not liable regarding such investments.

#### Custodian and Broker Fees and Expenses:

In addition to our advisory fees, clients are also responsible for the fees and expenses charged by custodians and imposed by broker-dealers, including, but not limited to, any transaction charges imposed by a broker-dealer that effects transactions for the client's account(s). Please refer to the "Brokerage Practices" section (Item 12) of this Brochure for additional information. From time to time, Optimized recommends a custodian to clients who do not have an existing custodial relationship established. Among others, Optimized generally recommends Union Bank, Bank of New York/Mellon, US Bank, Wells Fargo, Bank of America, or Charles Schwab & Co. Optimized does not receive any compensation from the custodians we refer to our clients. The rates offered will depend on the size of the assets or type of account. Clients retain full discretionary authority over the selection of the custodian to be used.

Valuation Policy: For all publicly traded securities held in clients' accounts, Optimized receives daily prices electronically from a third-party provider, which are reviewed internally on a monthly basis by designated investment personnel. When it is believed that the price provided is not correct or for times when the third party does not provide a price, Optimized will obtain pricing from a different third-party pricing source. Optimized maintains detailed written policies and procedures regarding valuation of clients' securities, which includes among other things, a list of approved third-party pricing vendors used by Optimized and reviews of price changes by the CEO and COO.

#### **ITEM 5D: PREPAID FEES**

Limited Prepayment of Fees: Optimized does not anticipate collecting fees in advance of services being rendered. Under no circumstances do we require or solicit payment of fees in excess of \$500 more than six months in advance of services rendered.

#### **ITEM 5E: COMPENSATION FOR THE SALE OF SECURITIES OR INVESTMENT PRODUCTS**

Optimized is not affiliated with any broker-dealers or mutual fund companies, and therefore we do not receive any compensation for the purchase or sale of securities or investment products used in client accounts.

#### **ITEM 6 PERFORMANCE-BASED FEES AND SIDE-BY-SIDE MANAGEMENT**

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Optimized does not charge performance-based fees (i.e., fees calculated based on a share of capital gains on or capital appreciation of the client's assets or any portion of the client's assets). Consequently,



we do not engage in side-by-side management of accounts that are charged a performance-based fee with accounts that are charged another type of fee (such as assets under management)

## **ITEM 7 TYPES OF CLIENTS**

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Optimized will provide advisory services to the following types of clients:

- Local government entities
- Special districts (water, fire, etc.)
- Healthcare institutions
- Higher education institutions

Optimized will typically only manage clients' accounts with minimum assets of \$5 million. Exceptions can be made based upon client specific information and the nature of the service(s) being provided.

## **ITEM 8 METHODS OF ANALYSIS, INVESTMENT STRATEGIES AND RISK OF LOSS**

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### **ITEM 8A: METHODS OF ANALYSIS & INVESTMENT STRATEGIES**

Optimized uses all or any combination of the following methods of analysis in formulating our investment advice and/or managing client assets:

- **Cash-Flow Modeling.** The client types that we serve have particular cash-flow characteristics. By modeling the cash flows of the client, we attempt to maximize the amount of cash that can be invested without sacrificing safety of principal or availability of liquidity as needed. Optimized creates a custom cash flow model for each client to support our investment analysis and portfolio modeling services. A risk of this method of analysis is the client can spend beyond their documented budget and therefore run into liquidity issues if the amounts are materially different than the cash flow model and related recommendations. A significant amount of surplus liquidity is included in our portfolio recommendations.
- **Technical Analysis.** We analyze past market movements and yield spreads to identify specific investment opportunities authorized by our clients' investment policies. By combining technical analysis with fundamental analysis, we can advise on sectors that the market is currently pricing outside of historical norms.
- **Quantitative Analysis.** We use a combination of sensitivity analysis and statistical testing that utilizes mathematical analysis to estimate the probability of success of a variety of investment recommendations over time. The results of our quantitative analysis are taken into consideration in the decision to buy or sell securities and in the management of portfolio characteristics. A risk in using quantitative analysis is that the methods or models used may be based on assumptions that prove to be incorrect.
- **Fundamental Analysis.** We attempt to measure the intrinsic value of a security or a market sector by looking at broad economic and financial factors (including the overall economy, industry conditions, and the market's valuation of the security or market sector) to identify

securities or market sectors that we believe are fairly valued or undervalued. Fundamental analysis does not attempt to anticipate market movements. This presents a potential risk, as the price of a security can move up or down along with the overall market regardless of the economic and financial factors considered in evaluating the security.

- **Qualitative Analysis.** We use qualitative analysis to evaluate individual securities, focusing on other non-quantifiable factors, such as rating agency sentiment, that are not readily subject to measurement, and incorporate this analysis into our security selection process. A risk in using qualitative analysis is that our subjective judgment may prove incorrect.
- **Asset Allocation.** Fixed income portfolios for California public agencies have different risk characteristics than individual investors. With the investment time horizon restricted to a maximum of five years, we use the various analysis techniques mentioned above to allocate assets in a way that keeps preservation of capital as first priority, while also supplying liquidity as needed and maximizing yield within these constraints. We generally focus on identifying an appropriate allocation of securities, maturities, market sectors, and yield curve positioning suitable for the client's investment goals and risk tolerance. A risk of asset allocation is that the allocation will change over time due to market movements in the various sectors, which, if not corrected, may no longer be appropriate for the client's goals.

#### Risks for all forms of analysis

Our securities analysis methods rely on the assumption that the companies whose securities we purchase and sell as well as other purchased or publicly available sources of information about these securities are providing accurate and unbiased data. While we are alert to indications that data may be incorrect, there is always a risk that our analysis may be compromised by inaccurate or misleading information.

#### FIXED INCOME PORTFOLIO MANAGEMENT INVESTMENT STRATEGIES

We believe that a conservative, risk-controlled approach to fixed income management will provide both steady incremental outperformance and low relative volatility.

The disciplined process we employ to realize this philosophy is generally grounded in three key principles:

- Cash-flow modeling to identify available cash for investments
- Strategic allocations to key sectors to add value
- Invest in maturities that allow for greater yield without sacrificing safety or liquidity.

Our investment recommendations assume clients' holds securities until maturity. A risk of this approach is market interest rates may change, resulting in a fair market value loss to the client.

#### **ITEM 8B: MATERIAL RISKS**

**Risk of Loss.** Investing in securities involves risk of loss that clients should be prepared to bear." Securities investments are not guaranteed, and a client may lose money on their investments. We ask that each client work with us to help us understand their tolerance for risk. Investors should be aware

that investment prices fluctuate as the securities are affected by economic and other factors. As a result, the value of your investment may increase or decrease. Bonds held to maturity will return the full par or face value amount to the bondholder at maturity (absent a default); however, those sold prior to maturity are subject to gain or loss depending on the market price at the time of sale.

For risks specific to a particular method of analysis or investment strategy, please see Item 8A above.

For risks specific to a particular type of security, please see Item 8C below.

#### **ITEM 8C: RISKS ASSOCIATED WITH PARTICULAR TYPES OF SECURITIES USED**

##### **RISKS ASSOCIATED WITH FIXED INCOME SECURITIES**

Optimized specializes in investment grade fixed income portfolio management. Despite the generally conservative nature of many fixed income investments, there are a variety of risks associated with fixed income investing. Fixed income securities represent monies lent by investors to corporate and government institutions. Risks vary according to the type of fixed income investment purchased along with the general level of interest rates in the economy. The risks commonly associated with fixed income securities are:

- **Market Risk:** The price of the security may drop in reaction to tangible and intangible events and conditions. This type of risk is caused by external factors independent of a security's particular underlying circumstances.
- **Interest Rate Risk:** The risk that the value of an interest-bearing investment will change due to changes in the general level of interest rates in the market. The market value of a bond fluctuates inversely to the change in interest rates; that is, as interest rates rise, bond prices fall and vice versa. Interest rate risk is commonly measured by a bond's duration, the greater a bond's duration, the greater the impact on price of a change in interest rates. Investors may incur a gain or loss from bonds sold prior to the final maturity date.
- **Credit Risk:** The risk that principal and/or interest on a fixed income investment will not be paid in a timely manner or in full due to changes in the financial condition of the issuer. Generally, the higher the perceived credit risk, the higher the rate of interest investors will receive on their investment. Many bonds are rated by a third party Nationally Recognized Statistical Rating Organization (NRSRO), for example, Moody's Investor Services or Standard & Poor's Inc. While ratings may assist investors to determine the creditworthiness of the issuer, they are not a guarantee of performance.
- **Reinvestment Risk:** The risk that interest and principal payments from a bond will be reinvested at a lower yield than that received on the original bond. During periods of declining interest rates, bond payments may be invested at lower rates; during periods of rising rates, bond payments may be invested at higher rates.
- **Call Risk:** The risk that a bond will be called by its issuer. A callable bond has a provision which allows the issuer to purchase the bond back from the bondholders at a predetermined price.

Generally, issuers call bonds when prevailing rates are lower than the cost of the outstanding bond. Call provisions allow an issuer to retire high-rate bonds on a predefined call schedule.

- **Prepayment Risk:** Some types of bonds are subject to prepayment risk. Similar to call risk, prepayment risk is the risk that the issuer of a security will repay principal prior to the bond's maturity date, thereby changing the expected payment schedule of the bonds. Prepayment risk is particularly prevalent in the mortgage-backed bond market, where a decline in interest rates can trigger loan holders to pre-pay their mortgages. When investors in a bond comprised of the underlying pool of mortgages receives his or her principal back sooner than expected, they may be forced to reinvest at prevailing, lower rates.
- **Liquidity Risk:** The risk stemming from the lack of marketability of an investment that cannot be bought or sold quickly enough to prevent or minimize a loss. Liquidity risk is typically reflected in a wide bid-ask spread or large price movements.
- **Inflation Risk:** When any type of inflation is present, a dollar today will not buy as much as a dollar next year, because purchasing power is eroding at the rate of inflation.
- **Opportunity Cost Risk:** The risk that an investor may forego profits or returns from other investments.

#### **ITEM 9 DISCIPLINARY INFORMATION**

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We are required to disclose any legal or disciplinary events that are material to a client's or prospective client's evaluation of our advisory business or the integrity of our management. Neither our firm nor our Management Persons have any reportable disciplinary events to disclose.

#### **ITEM 10 OTHER FINANCIAL INDUSTRY ACTIVITIES AND AFFILIATIONS**

##### **ITEM 10A: BROKER-DEALER REGISTRATION STATUS**

No management persons are registered or have an application pending to register as a broker-dealer or a registered representative of a broker-dealer.

##### **ITEM 10B: FUTURES COMMISSION MERCHANT REGISTRATION STATUS**

No management 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.

##### **ITEM 10C: INDUSTRY RELATIONSHIPS**

Richard Nolan is a Registered Investment Advisor and Broker for SagePoint Financial. Rich is not involved in the day-to-day operations of Optimized Investment Partners. Rich has no authority as it relates to Optimized operations and therefore no conflict of interest exists with his passive ownership in Optimized Investment Partners.

##### **ITEM 10D: INVESTMENT ADVISER REFERRALS**

Our firm does not recommend or select other investment advisers for our clients. We do not have other business relationship with any other advisers that create a material conflict of interest.

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

### **ITEM 11A: CODE OF ETHICS**

While Optimized is not an SEC registered adviser, our firm maintains a Code of Ethics which sets forth high ethical standards of business conduct that we require of our employees, including compliance with applicable federal securities laws.

Optimized and our personnel owe a fiduciary duty towards our clients and have an obligation to adhere not only to the specific provisions of the Code of Ethics but to the general principles that guide the Code.

Our Code of Ethics includes specific administrative policies and procedures to ensure appropriate checks and balances and internal controls aimed at preventing conflicts of interest and promoting transparency and fairness towards our clients. Our Code also provides for oversight, enforcement, and recordkeeping provisions.

Optimized's Code of Ethics further includes the firm's policy prohibiting the use of material non-public information. While we do not believe that we have any access to non-public information, all employees are periodically reminded that such information may not be used in a personal or professional capacity.

Our Code of Ethics is distributed to all supervised persons of Optimized whenever revisions are made, and not less frequently than annually. Upon receipt, all employees are required to provide a written acknowledgement and attestation of their intent to abide by Optimized's Code provisions.

A copy of our Code of Ethics is available to our advisory clients and prospective clients. You may request a copy by email sent to [compliance@Optimizedip.com](mailto:compliance@Optimizedip.com), or by calling us at 858-335-1141.

### **ITEM 11B: PRINCIPAL TRADING AND AGENCY CROSS TRADING**

Optimized and individuals associated with our firm are prohibited from engaging in principal transactions and agency cross transactions.

### **ITEM 11C: PERSONAL TRADING**

Optimized and/or individuals associated with our firm can from time to time, buy or sell for their personal accounts, securities identical to or different from those recommended to our clients. In addition, any related person(s) could potentially have an interest or position in a security(ies) which may also be recommended to a client. Our Code of Ethics is designed to assure that the personal securities transactions, activities, and interests of our employees will not interfere with (i) making decisions in the best interest of advisory clients, and (ii) implementing such decisions while, at the same time, allowing employees to invest for their own accounts. It is also designed to help prevent employees from benefiting from transactions placed on behalf of advisory clients.

### **ITEM 11D: PARTICIPATION OR INTEREST IN CLIENT TRANSACTIONS**

Optimized does not participate or take a financial interest in client transactions. Optimized employees and officers will not participate in trades for our clients. Any individual employee trading will be done separate of business activities.

## **ITEM 12 BROKERAGE PRACTICES**

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### **ITEM 12A: BROKER-DEALER SELECTION, COMPENSATION & TRADE AGGREGATION**

#### **FIXED INCOME PORTFOLIO MANAGEMENT**

Optimized requires discretionary clients to provide us with written authority to determine broker-dealer selection and commission costs that will be charged to these clients for transactions placed in their account(s). Broker-dealers are selected by Optimized based on best execution, which is a combination of most favorable price and the quality of execution. In selecting a broker to execute a transaction for a client, Optimized considers a variety of other factors, including (but not limited to) the following:

- the broker-dealer's market access;
- the nature of the security or instrument being traded;
- the size and type of transaction;
- the nature and character of the markets for the security or instrument to be purchased or sold;
- the desired timing of the transaction;
- the execution, clearance, and settlement capabilities of the broker-dealer selected;
- the reputation and perceived soundness of the broker-dealer;
- Optimized's knowledge of any actual or apparent operational problems with the broker-dealer; and
- the reasonableness of the commission for specific transactions.

While Optimized generally seeks competitive commission rates and dealer spreads, it may not necessarily pay the lowest commission. Transactions may involve specialized services on the part of the broker-dealer and thereby justify higher commissions than would be the case with other transactions requiring more routine services.

Regarding commission rates paid, Optimized's fixed income transactions are generally executed by the broker-dealer on a net basis, which means the execution costs (e.g., commissions) are included in the purchase or sale price of the security.

#### **ITEM 12A.1: RESEARCH AND OTHER SOFT DOLLAR BENEFITS**

Optimized does not enter third party soft dollar arrangements.

Soft dollars generally refer to arrangements whereby a discretionary investment adviser is allowed to pay for and receive research, research-related or execution services from a broker-dealer or third-party provider, in addition to the execution of transactions, in exchange for the brokerage commissions from transactions for client accounts.

#### **ITEM 12A.2: BROKERAGE FOR CLIENT REFERRALS**

Optimized does not direct brokerage in exchange for client referrals.

#### **ITEM 12A.3: DIRECTED BROKERAGE**

Optimized does not accept advisory clients' instructions for directing client's brokerage transactions. Optimized recommends to clients' that they keep an up-to-date approved broker list. For discretionary clients, Optimized will select the recommended investments from the best overall broker for that specific investment.

#### **ITEM 12B: AGGREGATING CLIENT TRADES**

Optimized does aggregate or "block" trades when advantageous to our clients. This blocking of trades permits the trading of aggregate blocks of securities composed of assets from multiple client accounts so long as transaction costs are shared equally and on a pro-rata (or other fair and reasonable) basis between all accounts included in any such block. Block trading may allow us to execute trades in a timelier, more equitable manner, at a better overall price.

#### **ITEM 13 ACCOUNT REVIEWS**

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##### **ITEM 13A: PERIODIC ACCOUNT REVIEWS**

###### **FIXED INCOME PORTFOLIO MANAGEMENT**

Optimized does a thorough review of all client accounts quarterly. Economic and market conditions are monitored daily including fluctuations in interest rates and material changes to the fixed income securities markets. In addition, client securities are monitored for changes in credit rating daily. Additional reviews may be triggered by material changes in variables such as the client's individual circumstances, liquidity requirements, political or economic environment, etc. These accounts are reviewed by our CEO/CCO and/or COO.

###### **CONSULTING SERVICES**

No reviews are required for our consulting services unless explicitly stated in the client contract.

##### **ITEM 13B: OTHER REVIEWS**

No other reviews are performed other than those stated in Item 13A.

##### **ITEM 13C: REPORTING**

###### **FIXED INCOME PORTFOLIO MANAGEMENT**

Optimized provides quarterly reports to advisory clients. Reports include: interest projections; portfolio holdings; quarterly cash flow model; and portfolio recommendations.

###### **CONSULTING SERVICES**

Consulting clients receive reports as stated in their contract.

#### **ITEM 14 CLIENT REFERRALS AND OTHER COMPENSATION**

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##### **ITEM 14A: OTHER COMPENSATION**

Optimized does not receive any other compensation from outside sources.

##### **ITEM 14B: CLIENT REFERRALS**

Optimized does not contract with any outside parties for solicitation or referral services.

#### **ITEM 15 CUSTODY**

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Optimized does not take custody or possession of the funds or securities that a client has placed under our management. Each client shall appoint a Qualified Custodian (“custodian”) to take and have possession of their assets. The fees expressed in the “Fees and Compensation” section (Item 5A) of this Brochure do not include fees a client will incur for custodial services. Optimized may recommend a custodian to clients who do not have an existing custodian relationship established. Among others, Optimized generally recommends (in alphabetical order): Bank of America, Bank of New York/Mellon, US Bank, or Wells Fargo. Client retains full discretionary authority over the selection of the custodian to be used.

#### **ITEM 16 INVESTMENT DISCRETION**

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We provide non-discretionary investment advisory services only.

#### **ITEM 17: VOTING CLIENT SECURITIES**

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##### **ITEM 17A: PROXY VOTING**

Optimized does not vote proxies for the securities held in client accounts. All proxy vote responsibilities will remain with the client as owner of those securities. Optimized shall recommend to clients to request custodians forward all proxy correspondence directly to the client when received.

##### **ITEM 17B: CLIENT RETAINS RIGHT TO VOTE PROXIES**

Optimized may provide clients with consulting assistance regarding proxy issues. A separate fee and agreement will be drafted for this specific service.

#### **ITEM 18 FINANCIAL INFORMATION**

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##### **ITEM 18A: FINANCIAL STATEMENT REQUIREMENT**

Under no circumstances do we require or solicit payment of fees in excess of \$1200 per client more than six months in advance of services rendered. Therefore, we are not required to include a financial statement.

##### **ITEM 18B: FINANCIAL CONDITION**

Optimized has no financial conditions to disclose that are reasonably likely to impair its ability to meet contractual commitments to clients.

##### **ITEM 18C: BANKRUPTCY DISCLOSURE**

Optimized has never been the subject of a bankruptcy petition.

##### **ITEM 19A: PRINCIPAL EXECUTIVE OFFICERS**

David Bilby is the CEO, CCO, and President of Optimized Investment Partners, LLC. David has BA and MS degrees in Finance from San Diego State University and is credentialed as a Series 65 Registered Investment Adviser Representative under the North American Securities Administrators Association



(NASAA). David has 19 years of government finance experience working for local municipalities in southern California.

Robert Michalik is the Executive Vice President & COO of Optimized Investment Partners, LLC. Robert has a Bachelor of Science in Business Management from the University of Phoenix and is credentialed as a Series 65 Registered Investment Adviser Representative under the North American Securities Administrators Association (NASAA). Robert's experience includes strategic executive leadership and process improvement with over 25 years of experience driving and optimizing business operations and services for large and diverse organizations, including J.P. Morgan Chase, Caliber Home Loans, and First American. Robert led teams of up to 300 employees across international locations, tightly managed operating budgets exceeding \$14M, and has an impeccable track record in internal-and external-facing audits.

#### **ITEM 19B: OTHER ACTIVE ENGAGEMENTS**

David is a contractor for Kosmont Transaction Services. David provides treasury consulting services to clients including cash flow modeling and market analysis. David spends approximately 5 hours per week on this business.

Robert has no other businesses in which he is actively engaged.

#### **ITEM 19C: PERFORMANCE BASED FEES**

Optimized does not perform any advisory services with performance-based fees.

#### **ITEM 19D: MATERIAL EVENTS**

No management person has been involved in any material event listed in sections D.1. and D.2.

#### **ITEM 19E: ISSUER RELATIONSHIPS**

Optimized has no relationships with any issuer of securities not listed in Item 10.C. of Part 2A.