

ITEM 1 – COVER PAGE

**Part 2A of Form ADV: Firm Brochure
Build Whale, Inc.
332 S Michigan Ave, Suite 121-2234
Chicago, IL 60604
Phone - (312) 248-4797
Email – jp@getwhale.co**

April 19, 2024



This Brochure provides information about the qualifications and business practices of Build Whale, Inc. ("Whale" or the "Firm"). If you have any questions about the contents of this Brochure, please contact the Firm at the address listed above. The information in this Brochure has not been approved or verified by the United States Securities and Exchange Commission ("SEC") or by any state securities authority.

Build Whale, Inc. is a registered investment adviser with the SEC. Registration of an investment adviser does not imply any certain level of skill or training.

Additional information about Build Whale, Inc. is also available on the SEC's website at www.adviserinfo.sec.gov. This Brochure was prepared for Whale's initial registration with the SEC. In the future, this Item will discuss only specific material changes that are made to the Brochure and provide Clients with such.

ITEM 2 – MATERIAL CHANGES

This Brochure was prepared for Whale’s initial registration with the SEC. In the future, this Item will discuss only specific material changes that are made to the Brochure and provide Clients with such discussion of the changes.

ITEM 3 – TABLE OF CONTENTS

| | |
|-------------------------------------------------------------------------------------------------------------|-------------------------------------|
| Item 1 – Cover Page | i |
| Item 2 – Material Changes | Error! Bookmark not defined. |
| Item 3 – Table of Contents..... | ii |
| Item 4 – Advisory Business..... | 1 |
| Item 5 – Fees and Compensation..... | 3 |
| Item 6 - Performance-Based Fees and Side-By-Side Management | 4 |
| Item 7 – Types of <u>Clients</u> | 6 |
| Item 8 – Methods of Analysis, Investment Strategies and Risk of Loss..... | 4 |
| Item 9 – Disciplinary Information..... | 5 |
| Item 10 – Other Financial Industry Activities and Affiliations..... | 5 |
| Item 11 – Code of Ethics, Participation or Interest in <u>Client</u> Transactions and Personal Trading..... | 13 |
| Item 12 – Brokerage Practices..... | 7 |
| Item 13 – Review of Accounts..... | 9 |
| Item 14 – <u>Client</u> Referrals and Other Compensation..... | 18 |
| Item 15 – Custody..... | 9 |
| Item 16 – Investment Discretion | 9 |
| Item 17 – Voting <u>Client</u> Securities..... | 20 |
| Item 18 – Financial Information | 10 |
| Item 19 – Requirements for State-Registered Advisers..... | |
| Brochure Supplement(s) | |

ITEM 4 – ADVISORY BUSINESS

A. Description of the Advisory Firm

Build Whale, Inc. (“Whale”), is a Delaware limited liability company registered with the SEC under the Investment Advisers Act of 1940 (the “Advisers Act”), that maintains its principal office at 332 S. Michigan Avenue, Suite #121-2234, Chicago, IL 60604. Whale was formed in 2023 and its principal owner and Chief Executive Officer is Arthur Petraglia. Whale is an investment adviser relying on the “Internet Adviser Exemption” under Rule 203A-2 of the Advisers Act and a fintech platform (the “Whale Application”) provider for renters (the “Client(s)”) with respect to their security deposits (“Investable Deposits”) and any additional funds. As described in more detail below, Whale provides its Clients with two different programs: the Whale Deposit Program and the Whale Grow Program. In addition to the investment advisory services, the programs are also intended to promote financial literacy.

B. Types of Advisory Services

Whale, as an investment adviser relying on the “Internet Adviser Exemption,” offers discretionary investment advisory services to Clients over the internet via the Whale Application. The Client relationships are established through a written Investment Advisory Agreement (the “Agreement”) executed by both Whale and the Client.

Investment opportunities provided by Whale are designed to encourage automated investments and do not provide overall financial planning, tax, accounting, or legal advice.

As referenced above, Whale provides two different programs. First, the “Whale Deposit Program” deposits the Investable Deposits in FDIC-insured interest-bearing products, enabling Clients to preserve the capital of the Investable Deposits. The rates of interest paid by each program bank will differ. Whale does not guarantee that any Client will receive a specified average or composite interest rate on funds invested through the program.

Second, the “Whale Grow Program” entails Whale providing Clients with investment recommendations pursuant to its online or mobile interactive questionnaire (the “Questionnaire”) via the Whale Application, where funds in excess of the Investable Deposits are invested in model portfolios (“Model Portfolio(s)”) consisting of ETF portfolios managed by unaffiliated third-party SEC registered investment advisers.

The investment products that embody the Model Portfolios are comprised of publicly traded Exchange Trade Funds (“ETFs”). Whale’s software-based algorithm determines a Client’s recommended initial portfolio by determining the best suited portfolio based on the responses to a Client’s Questionnaire, which incorporates a Client’s financial situation, investment horizon, and risk profile, among other factors. A Client can choose to select the recommended Model Portfolio or override the recommendation by selecting a different Model Portfolio. Whale reviews and evaluates portfolio allocation determinations periodically, both in conjunction with any material changes or updates to a Client’s investor profile, as well as annually regardless of whether Whale has been notified of any material changes or updates from the Client. Whale recommends that Clients ensure their financial condition, risk tolerance and investment goals are kept current in their investor profile on the Whale Application.

As described in more detail below, Whale intends to use Alpaca, a registered broker-dealer and qualified custodian (the “Broker-Dealer” or “Custodian”). Whale plans to offer the Whale Deposit Program in conjunction with Alpaca. As the Clients’ Broker-Dealer, Alpaca will provide, as an

administrative service, a money-market account in which the Investable Deposits are deposited. Whale deems such money-market accounts as cash or cash-equivalents as described in Item 5.F of the ADV Part 1A instructions. Whale has the discretion to change the type of instrument in which the Investable Deposits are deposited, to the extent that such instrument is consistent with the capital-preservation objective such that the Client can fulfill his or her obligations under their lease agreement. Accordingly, Whale deems both the Whale Deposit Program and Whale Grow Program part of its advisory services. Please see Item 11 regarding potential conflicts of interest regarding the Whale Deposit Program.

C. Types of Advisory Services

As described above, Whale offers the Whale Deposit Program and the Whale Grow Program. Whale tailors its advisory services to the individual needs of the Clients with respect to the Whale Grow Program by providing Clients with investment recommendations pursuant to the Questionnaire via the Whale Application. Such recommendation incorporates a Client's financial situation, investment horizon, and risk profile, among other factors. A Client can choose to select the recommended Model Portfolio or override such recommendation by selecting a different Model Portfolio. Whale also reviews and evaluates portfolio allocation determinations periodically, both in conjunction with any material changes or updates to a Client's investor profile.

D. Wrap Fee Programs

Whale does not participate in wrap fee programs.

E. Amounts Under Management

As of February 23, 2024, Whale has approximately \$0 of assets under management on a discretionary basis and \$0 on a non-discretionary basis

| Discretionary Amounts: | Non-Discretionary Amounts: | Date Calculated: |
|------------------------|----------------------------|------------------|
| \$0 | \$0 | 4/19/24 |

Business Continuity Plan

Whale maintains a Business Continuity/Disaster Recovery Plan (the "Plan") which includes provisions for, among other things: backup of Firm systems and critical data, contact information for employees and key service providers and procedures to be followed in the event that Whale's physical office location(s) is/are unavailable in the event of a disaster or other business disruption. The Plan requires review and testing no less than annually.

ITEM 5 – ACCOUNT, FEES, AND COMPENSATION

Account and Advisory Fee

Whale will charge the Client a fee (“Advisory Fee”) based on the regulatory assets under management of the Client’s Account. With respect to the Whale Deposit Program, the Advisory Fee will amount to a maximum of 1% of the yield earned in the Client’s money market account. Whale will have discretion to reduce or waive the percentage of fees charged in Whale’s discretion to the extent the yield on the Client Account decreases. With respect to the Whale Grow Program, the Advisory Fee will amount to \$3 per month of the Client’s Account. Whale will directly debit the Advisory Fee from the Client’s advisory account (the “Account”).¹ The Advisory Fee excludes all brokerage transaction, custodial, and/or ETF fees associated with any trades related to the Account (“Third-Party Fees”).

B. Payment of Fees

Advisory Fees and Third-Party Fees (discussed below) are deducted from the Client’s Account. The Advisory Fees are charged monthly in arrears.

C. Third-Party Fees

In addition to Advisory Fees, Clients will incur Third-Party Fees, which consist of brokerage, transaction, and custodial fees charged by the Broker-Dealer and Custodian, as well as fees charged by the underlying ETFs that comprise the Model Portfolios. Clients may also incur certain costs and expenses as Whale reasonably determines to be necessary to provide services to the Clients, including but not limited to administrative, legal, accounting, auditing, record-keeping, and tax form preparation. Clients will be informed of, and required to approve, any such costs and expenses in advance of being charged.

Whale’s fees exclude brokerage commissions, transaction fees, and other related costs and expenses which will be incurred by the Clients. Such charges, fees and commissions are charged by unaffiliated, third parties. Such fees are exclusive of and in addition to Whale’s Advisory Fee, and Whale will not receive any portion of such fees.

Please see Item 12 of this Brochure regarding brokerage.

D. Other Fees:

ETFs charge fees to cover the costs of managing the underlying ETF in the form of an expense ratio. These fees typically cover the ETF’s operating expenses, management fees, marketing costs, custodial fees, etc. These fees are entirely separate and distinct from Whale’s Advisory Fee. The expense ratio of each ETF included in the portfolios is outlined in the respective ETF prospectus. Prospective Clients will receive copies of such prospectus prior to selecting a Model Portfolio. Such fees are exclusive of and in addition to Whale’s Advisory Fee, and Whale will not receive any portion of such fees.

¹ While the “Account” applies to both the Whale Deposit Program and Whale Grow Program, an Account will generally be in reference to the Client’s investment advisory account in connection with the Whale Grow Program.

E. Outside Compensation for the Sale of Securities

Neither Whale nor its supervised persons receive compensation for the sale of securities or other investment products.

The foregoing discussion in Items 5 represents Whale's basic compensation arrangements. Fees are negotiable in certain circumstances and arrangements with any particular Investor may vary.

ITEM 6 – PERFORMANCE-BASED FEES AND SIDE-BY-SIDE MANAGEMENT

Whale does not charge performance-based fees to its Clients or conduct side-by-side management with respect to any of its Clients.

ITEM 7 – TYPES OF CLIENTS

Whale provides investment advisory services to natural persons who are (i) legal U.S. residents, (ii) link and maintain a checking account or other verified funding source with a U.S. bank or financial institution to their Whale Account, and (iii) pass Whale's identity verification protocols. The beneficiary of each Whale Account must also be a U.S. resident with a valid social security number.

ITEM 8 – METHODS OF ANALYSIS, INVESTMENT STRATEGIES AND RISK OF LOSS

Whale acts as an investment adviser to all Whale Clients via the Whale Application and does not rely on external or individual portfolio managers to develop and manage its model portfolios. Clients complete a Questionnaire when establishing an Account and are encouraged by Whale to update such information on a periodic basis. Whale uses a proprietary computer software-based algorithm to match each Client's Account to the Model Portfolio best suited to the underlying investment goals based on the Client's responses to the Questionnaire through the Whale Application upon opening an Account. In addition, Whale provides discretionary advice with respect to the Model Portfolios, including investment modeling, portfolio construction, investment policies, and asset allocations of such portfolios on behalf of its Clients.

Whale's Model Portfolios are comprised of publicly traded exchange-traded funds ("ETF") securities. The selection process for Whale's Portfolios is intended to satisfy a broad set of potential Client financial goals, including but not limited to maximizing returns, minimizing investment costs, limiting volatility, and diversifying investments.

Investing in securities involves risk of loss that Clients should be prepared to bear, including loss of the entire amount invested by a Client. Whale does not and cannot guarantee any level of performance or that any Client will avoid losses in his or her Whale Account(s). Clients should be aware that past performance is no guarantee of future results. When evaluating risk, financial loss may be viewed differently by each Client and depends on various factors that change over time. Clients need to understand that investments in Whale Accounts are subject to various market, volatility, liquidity, asset-specific, sector-specific (e.g., interest rate risks), geopolitical, concentration-related, and other risks inherent in investing.

Investment and trading risk factors may include:

General Investment and Trading Risks. Clients may invest in securities and other financial instruments using strategies and investment techniques with significant risk characteristics. The investment program utilizes such investment techniques as option transactions, margin transactions, short sales, forwards, leverage and derivatives trading, the use of which can, in certain circumstances, maximize the adverse impact to which a Client may be subject.

Exchange Traded Funds. Exchange-traded funds (“ETFs”) are a type of index fund bought and sold on a securities exchange. The risks of owning an ETF generally reflect the risks of owning the underlying securities they are designed to track, although lack of liquidity in an ETF could result in it being more volatile and ETFs have management fees that increase their costs. ETFs are also subject to other risks, including: (i) the risk that their prices may not correlate perfectly with changes in the underlying index; and (ii) the risk of possible trading halts due to market conditions or other reasons that, in the view of the exchange upon which an ETF trades, would make trading in the ETF inadvisable.

Limited Diversification. Investments may be geographically focused in certain countries. Furthermore, certain of the ETFs may not be broadly diversified, but concentrated in certain parameters (e.g., countries, emerging markets, and stocks that provide a higher dividend yield). This limited diversity could expose Clients to losses disproportionate to market movements in general if there are disproportionately greater adverse price movements in those investments. Prospective Clients should review the particular ETFs’ prospectus for additional risk disclosures with respect to investing in such ETFs.

The foregoing list of risk factors does not purport to be a complete enumeration or explanation of every risk involved in an investment with Whale. Prospective Investors and Clients should read the entire Brochure as well the underlying ETFs’ prospectus, and consult with their own legal and tax advisers prior to engaging Whale’s services.

ITEM 9 – DISCIPLINARY INFORMATION

Whale and its management persons have not been a party to any legal or disciplinary events that would be material to a Client’s or prospective Client’s evaluation of its investment advisory business or the integrity of its management.

ITEM 10 – OTHER FINANCIAL INDUSTRY ACTIVITIES AND AFFILIATIONS

B. Registration as a Broker-Dealer or Broker-Dealer Representative

Neither Whale nor its supervised persons are registered as a broker-dealer or broker-dealer representative.

B. Registration as a Futures Commission Merchant, Commodity Pool Operator, or a Commodity Trading Adviser

Neither Whale nor its supervised persons are registered as futures commission merchant, commodity pool operator, or a commodity trading adviser.

C. Relationships Material to this Advisory Business and Possible Conflicts of Interest

There are no other relationships or arrangements that are material to this advisory business.

D. Selection of Other Advisers or Managers

Whale does not utilize nor select other advisers or third party managers. The ETFs are advised by unaffiliated third-party registered investment advisers. However, the ETFs are selected by Whale. Additionally, Whale constructs and maintains the Model Portfolios.

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

B. Code of Ethics

Whale has adopted a Code of Ethics (the “Code”) pursuant to Rule 204A-1 under the Advisers Act. The Code governs the activities of each member, officer, director, and employee of Whale (collectively, “Employees”). Whale holds its Employees to a high standard of integrity and business practices that reflects its fiduciary duty to the Client. In serving its Client, Whale strives to avoid conflicts of interest or the appearance of conflicts of interest in connection with the personal trading activities of its Employees and Client securities transactions. When persons covered by the Code engage in personal securities transactions, they must adhere to the following general principles as well as to the Code’s specific provisions: (a) at all times the interests of Client must be paramount; (b) personal transactions must be conducted consistent with the Code in manner that avoids any actual or potential conflict of interest; and (c) no inappropriate advantage should be taken of any position of trust and responsibility. Employees covered by the Code have certain trading restrictions and reporting obligations of their personal securities transactions. Each Employee is provided with a copy of the Code and must annually certify that they have received it and have complied with its provisions. In addition, any Employee who becomes aware of any potential violation of the Code is obligated to report the potential violation to the Chief Compliance Officer. Whale will provide a copy of its Code of Ethics to Clients and prospective Clients upon request. Such a request may be made by submitting a written request to Whale at the address on the cover page of this Brochure.

B. Recommendations Involving Material Financial Interests

Neither Whale nor its related persons recommend to Clients or buys or sells for Client Accounts, securities in which Whale or a related person has a material financial interest.

C. Investing Personal Money in the Same Securities as Clients

Whale’s policies and procedures prohibit its Employees and related persons from trading ahead of Clients in the same instruments that Whale buys or sells for Client Accounts. Due to the fact that Whale invests only in ETFs that track a broad index of equities and bonds on behalf of its Clients, from a practical standpoint, Whale does not believe that the ETFs are considered “reportable funds” under the Advisers Act Code of Ethics Rule.

In the future, there may be circumstances in which Whale, its Employees and/or related persons have holdings in the same instruments that Whale buys or sells for Client Accounts (other than the ETFs it invests on behalf of its Clients), and it or they may own securities, or options on securities, of issuers whose securities are subsequently bought for Client Accounts because of Whale’s recommendations regarding a particular security. Whale’s policy as to such transactions is that neither Whale nor any of its Employees or related persons are to benefit from price movements that may be caused by transactions for Client Accounts or otherwise Whale addresses this conflict by requiring Employees to sign and adhere to Whale’s Code of Ethics and to report personal securities holdings and transactions reports to Whale consistent with the Code of Ethics Rule.

D. Trading Securities At/Around the Same Time as Clients' Securities

As discussed above, from time to time, Whale, its Employees, or related persons of Whale may buy or sell securities for themselves that Whale also recommends to the Client. Whale will always document any transactions that could be construed as conflicts of interest and will always transact Client business before the business of its Employees and/or related persons when similar securities are being bought or sold.

E. Conflicts of Interest Regarding the Whale Deposit Program

The Whale Deposit Program poses a conflict of interest with respect to Whale. On the one hand, Whale, as an investment adviser, has a fiduciary duty towards its Clients, including providing investment advice with respect to the Investable Deposit. On the other hand, Whale is an independent third-party service provider to the landlords for which the Clients are tenants of such landlords. Given this relationship, if and when the landlord requests some or all of the Investable Deposit pursuant to the Client and landlord's lease agreement, while Whale retains some discretion as to whether it will send the Investable Deposit requested by the landlord, generally, Whale will honor such request. Additionally, given the Client's obligations under his or her lease agreement, the principal amount of the Investable Deposit must be protected. Accordingly, Whale will not invest the Investable Deposit other than to protect the principal. In addition to this disclosure, Whale further mitigates this conflict of interest through the Agreement. By becoming Whale's Client, the Client is providing informed consent to this conflict.

ITEM 12 – BROKERAGE PRACTICES

B. Factors Used to Select or Recommending Broker-Dealers

Whale will always have discretion as to the placement of brokerage (and accordingly, the commission rates paid). Under the Advisers Act, "best execution" requires an investment adviser to execute client trades in a manner that provides the most favorable overall terms for the client, considering factors beyond just the lowest possible commission cost. In selecting brokers to effect portfolio transactions, Whale considers such overall factors as price, quality of execution, expertise in particular markets, the ability of the brokers to effect the transactions, the brokers' facilities, reliability, reputation, experience, financial responsibility in particular markets, familiarity both with investment practices generally and techniques employed by Clients and certain brokerage or research services ("soft dollar items") provided by such brokers and clearing and settlement capabilities, subject at all times to principles of best execution, in accordance with Whale's policies and procedures. Whale believes that the broker-dealer that it recommends provides, in its totality, the most favorable overall terms for the Client, including but not limited to competitive transaction and custody costs, helping Clients to eliminate or control costs and optimize the custodial structure to the benefit of Clients.

The broker-dealer utilized by Whale may provide general assistance to Whale, including, but not limited to technical support, consulting services, and consulting services related to staffing needs. In selecting a broker, Whale may consider the broker's general assistance and consulting services. To the extent Whale would otherwise be obligated to pay for such assistance, it has a conflict of interest in considering those services when selecting a broker.

Research and Other Soft Dollar Benefits

Whale currently does not anticipate receiving research or other products or service other than execution from a broker-dealer or third-party in connection with Client securities transactions ("soft

dollar benefits”). However, in the future, Whale shall have the right if, in good faith, it considers it to be in the best interest of the Client and consistent with Whale’s obligations to do so, to enter into “soft dollar” arrangements with one or more broker-dealers. All “soft dollar” arrangements will fall within the safe harbor provided by Section 28(e) of the Securities Exchange Act, as that safe harbor is currently interpreted by the Securities and Exchange Commission. If in the future Whale obtains “soft-dollar” benefits, this Brochure will be appropriately amended.

Whale may effect transactions with broker-dealers who provide research services (collectively, “soft-dollar items”) to Whale that assist Whale in making investment and trading decisions on behalf of its Clients. The negotiated commissions paid to broker-dealers supplying soft-dollar items may not represent the lowest obtainable commission rates. In any such arrangement, the amount of the commission paid must be reasonable in relation to the value of the brokerage and soft-dollar items provided by the broker-dealer, viewed in terms of either the particular transaction or Whale’s overall responsibilities with respect to its Clients. Whale intends to comply with the soft-dollar “safe harbor” afforded by Section 28(e) under the Securities Exchange Act of 1934.

Brokerage for Client Referrals

Whale does not consider, in selecting or recommending broker-dealers, Client referrals from a broker-dealer. Whale may receive referrals in the future and if it does it will appropriately amend this Brochure.

Certain brokers utilized by Whale may refer advisory Clients to Whale or investors to investment vehicles managed by Whale. In selecting a broker, Whale may consider the broker’s referrals of Clients or investors to investment funds Whale manages, referrals of advisory Clients to Whale, the potential for future referrals, and/or the broker’s willingness to pay third-party finders’ fees for such referrals.

To the extent Whale would otherwise be obligated to pay for “finding” services, it has a conflict of interest in considering those services when selecting a broker. It also faces a conflict because it benefits from increases the size of the investment funds it manages.

B. Aggregating Trading for Multiple Client Accounts

As described above, Whale conducts its investment advisory services in part through Clients’ investments in its Model Portfolios, which consist of a selection of a combination of publicly traded ETFs. Whale will generally, and to the extent possible, aggregate Client trades in its Model Portfolios on an aggregated basis. When it does, Whale will generally allocate the securities or proceeds arising out of those transactions (and the related transaction expenses) on an average price basis among the various participants or alternatively, to the extent possible, conduct trades in a Model Portfolio at the same time in a given day. Whale believes combining orders in this way will be equitable to all applicable Clients in a given Model Portfolio. There may be circumstances in which transactions for certain Clients may not, under certain laws, regulations and internal policies, be combined with transactions of Whale’s and its affiliates’ other Clients, which may result in less advantageous execution for those Clients.

Whale may place orders for the same security for different Clients at different times and in different relative amounts due to differences in investment objectives, cash availability, size of order and practicability of participating in “block” transactions. The level of participation by different Clients in the same security may also be dependent upon other factors relating to the suitability of the security for the particular Client.

ITEM 13 – REVIEW OF ACCOUNTS

Frequency and Nature of Periodic Review and Who Makes Those Reviews

Whale's investment tools are designed to provide Clients with continuous access to Account information through Whale's online interface. Clients can utilize various tools on the interface to review their Account and better understand their holdings and performance information. Clients will receive periodic emails from Whale with information about their Accounts, material amendments to their Client Agreements, as well as links to account statements, and Clients should review these emails carefully for relevant information about their Accounts and Whale services.

ITEM 14 – CLIENT REFERRALS AND OTHER COMPENSATION

Currently, neither Whale nor its related persons directly or indirectly compensate any person who is not advisory personnel for Client referrals. If in the future Whale enters into such arrangements, this Brochure will be appropriately amended.

ITEM 15 – CUSTODY

For purposes of the Advisers Act, Whale has custody of Client assets because Whale has access to deduct its advisory fees directly from Client asset. Clients receive at least quarterly account statements directly from their custodians, listing account balance(s), transaction history and any fee debits or other fees taken out of the Account. Upon opening an account with a qualified custodian on a Client's behalf, Whale promptly notifies the Client in writing of the qualified custodian's contact information. If Whale also sends account statements or similar reporting to Clients, these will include a legend that recommends that the Client compare them to the account statements received from the qualified custodian.

Additionally, Whale will be deemed to have custody over Client's funds by way of an intermediary account owned by Whale ("Whale Intermediary Account"), by which certain Client funds will transfer between, on the one hand, a landlord that holds an aggregated amount of Investable Deposits of Clients that did not become Whale's advisory Clients concurrently as they became tenants with such landlord ("Whale Flip Program"), and on the other hand, the broker-dealer, in order to conduct the Whale Flip Program and fulfill certain obligations under a Client's lease agreement with the landlord. As such, Whale will engage an independent auditor that is registered with, and is subject to examination by, the Public Company Accounting Oversight Board (PCAOB) to conduct surprise annual audits of the Whale Intermediary Account. Fees associated with the surprise annual audit, as well as all other fees imposed on Clients by Whale are in addition to the Advisory Fee. Further details regarding the surprise annual audit fees applicable to Clients are described under each Client's Agreement.

ITEM 16 – INVESTMENT DISCRETION

Whale has the discretion to buy and sell investments on Clients' behalf by way of its Model Portfolios consistent with the disclosure regarding such portfolios' investment strategies. Whale provides Clients with information about its Model Portfolios to inform their decision-making and pursuant to a Client's response to the Questionnaire, makes recommendations to Clients that they invest in a Model Portfolio or Model Portfolios. The Client has the discretion to accept such recommendation or alternatively, to

choose to invest in a different Model Portfolio. Pursuant to the Agreement between each Client and Whale, the Client designates Whale as its attorney-in-fact to execute, certify, acknowledge, file, record and swear to all instruments, agreements and documents necessary or advisable to carrying out its investment activities.

ITEM 17 – VOTING CLIENT SECURITIES

Whale will not have authority to vote proxies on behalf of the Client. If in the future Whale obtains authority to vote proxies, this Brochure will be appropriately amended.

It is the policy of Whale that the exercise of proxy voting authority in respect to Client securities will be the responsibility of its Clients. As part of their agreements with custodians, Clients will direct custodians to send all necessary proxy voting materials and notices directly to the Clients from the custodians holding such securities. Whale believes that Clients, after reviewing such proxy materials, can then decide and vote proxy voting issues in their own best interest.

Whale does not give specific advice to Clients whether to participate or refrain from participation in investor class action suits. Clients will receive in the normal course of business all brokerage statements and confirmations necessary to complete such materials for securities traded while under Whale's management.

ITEM 18 – FINANCIAL INFORMATION

Whale has no financial commitment that impairs its ability to meet contractual and fiduciary commitments to Clients and has not been the subject of a bankruptcy petition.

A. Balance Sheet

Whale does not require nor solicit prepayment of more than \$1,200 in fees per Client, six months or more in advance and therefore does not need to include a balance sheet with this Brochure.

B. Financial Condition

Whale has discretionary authority over the Client's assets. At this time, neither Whale nor its management persons have any financial conditions that are likely to impair its ability to meet contractual commitments to Clients.

C. Bankruptcy Petitions in Previous Years

Whale has not been the subject of a bankruptcy petition in the last ten years.