
EFFECTIVE March 15, 2024

Portfolio Design Labs, LLC

Firm Brochure – Form ADV Part 2A

Registration as an investment adviser does not imply a certain level of skill or training.

Portfolio Design Labs, LLC
15760 Ventura Blvd
Suite 1700
Encino, CA 91436

This brochure provides information about the qualifications and business practices of Portfolio Design Labs, LLC. If you have any questions about the contents of this brochure, please contact us by email at: jason.thomas@portfoliolabs.com. The information in this brochure has not been approved or verified by the United States Securities and Exchange Commission or by any state securities authority.

Additional information about Portfolio Design Labs, LLC is also available on the SEC's website at www.adviserinfo.sec.gov. Portfolio Design Labs, LLC's CRD number is: 318127.

ITEM 2 - MATERIAL CHANGES

This section provides a summary of material changes that were made to this brochure since the last update. It includes changes to Portfolio Design Labs' services and is intended to help you determine if you want to review this Brochure in its entirety or contact your Financial Advisor with questions about the changes.

Portfolio Labs may make interim updates to this Brochure throughout the year. However, you will receive notice of any material changes, which must also be filed with the SEC. To request a copy of the most recent disclosure Brochure send an email to jason.thomas@portfoliolabs.com or write to:

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The last annual updating amendment of Portfolio design Labs, LLC was on February 1, 2023. Material changes relate to Portfolio design Labs, LLC's policies, practices or conflicts of interests only.

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ITEM 4 - ADVISORY BUSINESS

DESCRIPTION OF THE ADVISORY FIRM

Portfolio Design Labs, LLC (hereinafter, with its subsidiaries, "Portfolio Labs") is a Limited Liability Company organized in the State of Delaware. The firm was formed in November 2021 and the principal owner is Jason Thomas.

PORTFOLIO MANAGEMENT SERVICES - PARTNER ADVISORY FIRM CLIENTS

Portfolio Labs offers investment advisory services, primarily to individuals through third-party investment adviser firms (referred to in this brochure as "Third Party Advisory Firms" or "TPAFs" and their client advisor representatives are referred to as "Third Party Financial Advisors" or "TPFAs"). The Fee schedules and fee rates for the various Investment Solutions are listed in the Fees & Investment Minimum schedule located at the end of this Brochure.

TPFAs consult with their clients ("TP Clients") to assess the TP Clients' financial situation and identify investment objectives in order to identify investment solutions ("Solutions") designed to meet the TP Client's financial needs. In order to engage Portfolio Labs, the TP Client will enter into an Investment Management Contract ("IMC") that outlines the services to be performed by Portfolio Labs. Portfolio Labs requires discretionary authority from clients in order to select securities and execute transactions without permission from the client prior to each transaction.

The TPFA is responsible for determining the suitability of various investment solutions ("Solutions") for the TP Client's investment objectives and financial condition. Through its TPFA, the TPAF, not Portfolio Labs, recommends the Solution to the TP Client and monitors whether to recommend that the TP Client remain in the selected Solution. As described below, each of the Solutions uses one or more Investment Approaches (the "Investment Approaches") in an attempt to achieve Investment Objectives ("Investment Objectives") as described below. The TPFA and TP Client can customize a strategy by which each of the TP Client's accounts will be managed or maintained. The specific Solution Type and the Investment Approaches selected for the Client's Account(s) are referred to as the TP Client's "Investment Strategy." A TP Client will establish one or more investment accounts (each an

"Account") with a custodian, and the TP Client's Accounts are collectively referred to as the TP Client's "Investment Portfolio."

A TP Client will typically complete a questionnaire, or otherwise provide information to the TPFA to enable the TP Client and the TPFA to identify the TP Client's rate of return objective, risk tolerance and other relevant information. The TP Client typically will provide the TPFA with information concerning the Client's investment experience, anticipated need for liquidity, potential timing of the need for retirement funds, and other investment needs and parameters. The TPFA remains responsible for monitoring the Investment Strategy and recommending any changes to the TP Client. Portfolio Labs' responsibility is to implement the Investment Strategy chosen by the TP Client and the TPFA. Portfolio Labs does not advise the TP Client about potential changes to the TP Client's Strategy.

For TP Clients of TPAFs, Portfolio Labs offers three Solutions, each implemented by a division of Portfolio Labs (Dynamic Wealth Management; Thematic Capital Management; and Direct Index Strategies) focused on Investment Solutions based on a particular Investment Approach.

Dynamic Wealth Management

Dynamic Wealth Management ("DWM"), a division of Portfolio Labs, offers an innovative, holistic, dynamic portfolio management service based on the individual goals, objectives, time horizon, and risk tolerance of each TP Client. The Dynamic Outcome Target Strategy ("DOTS") offered by DWM is a customizable Investment Solution designed to be used in conjunction with a financial plan.

The DOTS Investment Solution attempts to achieve a target rate of return, specified by the TPFA, over the time horizon of the financial plan (10 years or more) with the least amount of volatility.

There can be no guarantee that any Investment Solution's objectives will be achieved. All Investment Solutions involve the risk of investment loss.

Thematic Capital Management

Thematic Capital Management ("TCM"), a division of Portfolio Labs, offers focused thematic- and style-based separately managed accounts ("SMAs") that can be used on a stand-alone basis

or combined into a single unified managed account ("UMA").

Thematic investing is an approach that focuses on predicted trends rather than specific companies or sectors, enabling investors to efficiently pursue returns associated with structural shifts that can affect entire industries and economies.

There can be no guarantee that any Investment Solution's objectives will be achieved. All Investment Solutions involve the risk of investment loss.

Direct Index Strategies

Direct Index Strategies ("DIS"), a division of Portfolio Labs, offers portfolios of individual equities managed in a manner similar to popular funds and ETFs. DIS portfolios are available only as SMAs; multiple Investment Strategies cannot be combined in a UMA.

Direct index investing is an approach which attempts to improve upon the overall client experience of investing in a commingled vehicle through the use of individual securities and sophisticated portfolio construction techniques. Potential benefits include increased tax efficiency, greater precision of investment allocation, and/or lower cost.

There can be no guarantee that any Investment Solution's objectives will be achieved. All Investment Solutions involve the risk of investment loss.

PORTFOLIO MANAGEMENT SERVICES - DIRECT CLIENTS

In select circumstances, Portfolio Labs may offer investment advisory services to an individual or institution directly (a "Direct Client"), with no intervening TPFA. The Fee schedules and fee rates for the various Investment Solutions are listed in the Fees & Investment Minimum schedule located at the end of this Brochure.

In that case, Portfolio Labs will consult with the Direct Client about Investment Objectives in order to identify an appropriate Investment Solution. Portfolio Labs creates an Investment Policy Statement ("IPS") for each client that outlines the client's current situation (income, tax levels, and risk tolerance levels) and then constructs a plan to aid in the selection of a portfolio that matches each client's specific situation. In order to engage Portfolio Labs, the Direct Client will enter into an IMC that outlines the services to be performed by Portfolio Labs. Portfolio Labs requires discretionary

authority from clients in order to select securities and execute transactions without permission from the client prior to each transaction. Risk tolerance levels are documented in the Investment Policy Statement, which is given to each Direct Client.

For Direct Clients, Portfolio Labs offers Investment Solutions from Thematic Capital Management and Direct Index Strategies, as described above.

ADDITIONAL INFORMATION ABOUT PORTFOLIO MANAGEMENT SERVICES

With respect to services offered to TP Clients and Direct Clients (together "Clients"), Portfolio Labs seeks to ensure that investment decisions are made in accordance with the fiduciary duties owed to its Clients and without consideration of Portfolio Labs' economic, investment or other financial interests. To meet its fiduciary obligations, Portfolio Labs attempts to avoid, among other things, investment or trading practices that systematically advantage or disadvantage certain client portfolios, and accordingly, Portfolio Labs' policy is to seek fair and equitable allocation of investment opportunities/transactions among its clients to avoid favoring one client over another over time. It is Portfolio Labs' policy to allocate investment opportunities and transactions it identifies as being appropriate and prudent among its clients on a fair and equitable basis over time.

Account Implementation

Each Investment Solutions offered by Portfolio Labs has a minimum investment amount ("Account Minimum"). The Account Minimum for each Investment Solution is listed in the Fees & Investment Minimum schedule located at the end of this Brochure.

A Client must deposit the Account Minimum into their Account, and if multiple deposits are made into such an Account, the Account will not be invested and will not be considered a managed Account until the Account balance reaches the required minimum. A Client's Account will be held by the Custodian in cash or in the assets transferred in-kind until such time as the value of the deposits to the Account reaches the required minimum for investment. Clients should be aware that a reasonable amount of time will be needed to purchase, redeem and/or transfer assets, and Portfolio Labs will not be held liable for losses or missed gains due to market value fluctuations during the time taken for these transactions.

Account Liquidity Reserve

To properly maintain cash flows for Client needs, a portion of all Client Accounts invested in a Strategy is maintained in a short-term investment vehicle. This liquidity reserve or cash allocation is typically 2% and may be invested by Portfolio Labs in what is generally referred to as the Custodian's cash "sweep" vehicle or a money market mutual fund or other short-term pooled investment vehicle.

Services Limited to Specific Types of Investments

Portfolio Labs generally limits its investment advice to equities, fixed income securities, mutual funds and ETFs. Portfolio Labs may use other types of securities as well to help diversify a portfolio when applicable.

Short-Selling

Portfolio Labs recommends that, where available, allowed and appropriate, Clients establish Accounts allowing the short sale of equity securities. Clients permit Portfolio Labs to sell securities short via an Addendum to the IMC.

Use of Borrowing

Portfolio Labs recommends that, where available, allowed and appropriate, Clients establish Accounts with some form of flexible borrowing capacity (e.g., margin, asset-backed line of credit, etc.). Clients permit Portfolio Labs to use borrowing on a tactical (short-term) basis via an Addendum to the IMC.

The discretionary, short-term use of such borrowing by Portfolio Labs may have a number of benefits by separating (i) the timing of the Clients' need for a cash distribution from an Account or expected contribution to an Account from (ii) the sale or purchase of securities. Clients may also establish a strategic (long-term) borrowing in an attempt to increase long-term returns. Clients permit Portfolio Labs to use borrowing on a strategic (long-term) basis via an Addendum to the IMC.

The use of borrowing related to an Account is not suitable for all Clients. Securities-backed borrowing involves a number of risks, including the risk of a market downturn, tax implications if pledged securities are liquidated, and the potential increase in interest rates, and other risks. If the value of pledged securities drops below certain levels, the borrower can be required to pay down the loan and/or pledge additional securities. Clients must consider these risks and whether securities-backed borrowing is appropriate. Clients should consider these issues and discuss with their TPFA their

financial position and objectives and whether using their investments as collateral for a loan is appropriate.

Options

Portfolio Labs recommends that, where available, allowed and appropriate, Clients establish Accounts allowing the purchase and sale of equity options. Clients permit Portfolio Labs to use options via an Addendum to the IMC.

The use of options is not suitable for all Clients. Options investing involves a number of risks, including the risk of a market downturn, reduced liquidity relative to equity securities and tax implications. Clients must consider these risks and whether options investing is appropriate. Clients should consider these issues and discuss with their TPFA their financial position and objectives and whether using options is appropriate.

CLIENT TAILORED SERVICES AND CLIENT-IMPOSED RESTRICTIONS

Clients may request that Portfolio Labs customize an Investment Solution via an Addendum the IMC. Portfolio Labs may use security-specific analysis and/or model allocations together with a specific set of recommendations for each client based on his/her personal restrictions, needs, and targets. Clients may impose restrictions in investing in certain securities or types of securities in accordance with their values or beliefs. However, if the restrictions prevent Portfolio Labs from properly servicing the client account, or if the restrictions would require Portfolio Labs to deviate from its standard suite of services, Portfolio Labs reserves the right to reject the request or end the investment relationship.

WRAP FEE PROGRAMS

A wrap fee program is an investment program where the investor pays one stated fee that includes management fees and transaction costs. Portfolio Labs does not participate in wrap fee programs.

ASSETS UNDER MANAGEMENT

Portfolio Labs was established in November 2021 and had the following assets under management as of December 31, 2023:

Discretionary Amounts:	Non-discretionary Amounts:
\$276,199,398	\$0

ITEM 5 - FEES AND COMPENSATION

Lower fees for comparable services may be available from other sources.

The fees applicable to each Client Account managed by Portfolio Labs can include, but may not be limited to:

1. Portfolio Management Fee
2. Financial Advisor Fee
3. Platform Fee
4. Custody and trading fees

It is important that you understand all the fees applicable to your Account, some or all of which may be subject to negotiation. In general, Portfolio Labs receives only the Portfolio Management fee. The fee schedules for Portfolio Labs' various Investment Solutions are listed in the Fees & Investment Minimum schedule located at the end of this Brochure. The Fees & Investment Minimums will be updated from time to time, to include the addition of new products and services, to remove any terminated strategies, or to make updates.

PORTFOLIO MANAGEMENT FEES

Each Portfolio Labs' Investment Solution has an associated time-based fee. For certain Solutions, Clients may have the option of choosing a performance-based fee if the Client meets certain qualification requirements set forth in the Advisors Act of 1940.

The final fee schedule will be documented in the Addendum to the Client's IMC. Clients may terminate the IMC without charge or penalty within five business days of signing the IMC. Thereafter, clients may terminate the IMC generally with 30 days' written notice.

Time-Based Fee

Total Assets Under Management	Annual Fees
All assets	0.95%

For time-based fee structures, the fee is based only on the assets in the Account and the passage of time. Portfolio Labs uses an average of the daily balance in the client's account throughout the billing period, including deposits and withdrawals, for purposes of determining the market value of the assets upon which the advisory fee is based. These fees may be negotiable, and the final fee schedule will appear in the Addendum to the IAC.

Performance-Based Fee

Total Assets Under Management	Base Fee	Performance Fee
Change in Assets Under Management net of deposits and withdrawals	0.00%	15% of investment growth only if change is positive

For performance-based fee structures, the fee is based on the performance of the Account and the passage of time. Portfolio Labs uses the account value at the beginning and end of the billing period for purposes of determining the market value of the assets upon which the performance fee is based. The performance fee is charged on the greater of (i) Investment Growth, defined as the ending assets minus the beginning assets, minus deposits during the period, plus withdrawals during the period or (ii) zero (\$0). As a result, the performance fee will be greater than zero only if the Investment Growth during the billing period is greater than zero; if the Investment Growth is negative, no fee will be charged for that period. These fees may be negotiable, and the final fee schedule will appear in the Addendum to the IAC.

A conflict exists when utilizing performance-based fee structures whereby PDL may have an incentive to manage an Account more aggressively to increase performance, thereby increasing the performance-based fee paid to PDL. This conflict is mitigated in several ways. First, the performance-based fee structure is symmetric – any increase in the volatility of the Investment Strategy may also *reduce* Portfolio Labs' compensation, including to zero. Second, for Clients using the DOTS strategy, the target rate of return is identified and agreed upon by the client in consultation with their TPFA.

Performance-based fees can only be charged to "Qualified Clients".

In general, a "Qualified Client" is:

- 1) a natural person or company who at the time of entering into such agreement has at least \$1,100,000 under the management of the investment adviser;
- 2) a natural person or company who the adviser reasonably believes at the time of entering into the contract: (A) has a net worth of jointly with his or her spouse of more than \$2,200,000 excluding the value of the client's primary residence; or (B) is a qualified purchaser as defined in the Investment Company Act of

1940, §2(a)(51)(A) (15 U.S.C. 80a-2(51)(A)); or

- 3) a natural person who at the time of entering into the contract is: (A) An executive officer, director, trustee, general partner, or person serving in similar capacity of the investment adviser; or (B) An employee of the investment adviser (other than an employee performing solely clerical, secretarial, or administrative functions with regard to the investment adviser), who, in connection with his or her regular functions or duties, participates in the investment activities of such investment adviser, provided that such employee has been performing such functions and duties for or on behalf of the investment adviser, or substantially similar function or duties for or on behalf of another company for at least 12 months.

Performance fees will only be charged to California clients in accordance with the provisions of California Code of Regulations Section 260.234.

Tiered fee schedules

To attract large Accounts, Portfolio Labs may offer a tiered fee structure, with lower fees for larger accounts. If the fee is to be calculated on a tiered basis, the first dollar under management receives the highest fee and only those assets over the breakpoints receive the reduced fees.

Total Assets Under Management	Max Annual Fees
First \$3 million	0.95%
AUM above \$3 million	0.75%

The management fee for an account with a \$5 million average account balance over a calendar quarter would be: $(\$3,000,000 \times 0.95\%/4) + (\$2,000,000 \times 0.75\%/4) = \$10,875$.

Discounts to fee schedule

As a standard practice, Portfolio Labs grants exceptions to its fee schedule for accounts of employees and employees of broker-dealers, investment advisory or other firms with whom Portfolio Labs maintains an active agreement, any of which can be offered discounted fees.

Fee billing process

Fees subject to a time-based fee structure are payable monthly, in arrears. The monthly Account Fee is calculated by multiplying the average balance of all Accounts over the billing period by

the “monthly rate.” The monthly rate is number of calendar days in the month, divided by 365 (or 366, as applicable) days in the year, multiplied by the applicable annual Account Fee rate provided for in the Fees & Minimum table. For the initial deposit to the Account and for any subsequent amounts deposited to the Account, the Account Fee shall be payable at the end of the first month after Portfolio Labs’ commencement of management of the Account based upon the amount of the deposit multiplied by the monthly rate (as described above) of the applicable annual rate and charged pro-rata through the end of the calendar month.

Fees subject to a performance-based fee structure are payable quarterly, in arrears. For the initial deposit to the Account and for any subsequent amounts deposited to the Account, the Account Fee shall be payable at the end of the first quarter after Portfolio Labs’ commencement of management of the Account based upon the Investment Growth. There is no pro-rata adjustment for periods shorter than a calendar quarter.

Unless other arrangements are made, the Custodian will debit these fees from the Account. Additional fees, such as custodian termination fees, are due where applicable, pursuant to a separate agreement with the Custodian (“Custody Agreement”). Upon termination of the Account, the amount of accrued Account Fees will be calculated by multiplying the daily Account Fee during the final quarter by the number of days remaining in that quarter. Account values are typically grouped for fee billing purposes. Account fees will be calculated based on the total value of existing Accounts across a Client household. This grouping is usually referred to as “Householding” and often results in a reduction of the overall Portfolio Fees.

When you change the Investment Solution in your Account within the billing period, the fees charged for that quarter will be the higher of the two fee schedules. The fee for the new investment Solution will be effective the next billing cycle.

FINANCIAL ADVISOR FEES

The Financial Advisor Fee is paid to the TPAF with which the Client’s TPFA is associated as compensation for the advisory and other services provided the Client by the TPAF. These services may include, but are not limited to, obtaining information regarding the Client’s financial situation and investment objectives, conducting an analysis to make a determination of the suitability of the services to be provided by Portfolio Labs for

the Client, and being reasonably available for ongoing consultations with the Client regarding the Client's investment objectives. The Financial Advisor and Client select an annual rate for the Financial Advisor Fee, which is paid to the TPAF.

Portfolio Labs does not receive any portion of the Financial Advisor Fees.

PLATFORM FEES

A Platform Fee may include payment for administrative services, providing you with disclosure documents and assisting the Client with Account paperwork. The Platform Fee provides compensation to the Platform for arranging for advisory, administrative, custodial and brokerage services to the Account. The administrative services include but are not limited to: arranging for custodial services to be provided by various Platform Custodians pursuant to separate agreement between Client and Custodian; preparation of quarterly performance reports (to complement account statements provided by Custodians).

Portfolio Labs does not receive any portion of the Platform Fees.

CUSTODIAL AND BROKERAGE SERVICES

Each Client will enter a custodial agreement with their selected Custodian and be provided a fee schedule or schedule of charges. Refer to the Custody Agreement or schedule of charges for specific fees applicable to the Client Account. For example, the Custodians can also charge termination fees and various other miscellaneous fees for wires, returned checks and other non-standard activity on an Account such as fees for alternative investments. Custody fees can also apply to Accounts in Solution Types that are either closed or no longer offered to new Clients. All custody fee details are clearly presented in each Custodian's fee schedule and separate custody agreement. The Client may pay transaction fees on trades made in most of the Solution Types available from Portfolio Labs. The selected Custodian's full fee schedule will be presented to the Client together with the separate custodial agreement to be executed between the Client and their selected Custodian.

Portfolio Labs does not receive any portion of the Custodial and Brokerage Fees.

FEES FOR TERMINATED STRATEGIES

The Client may be invested in an Account that no longer receives advisory services because the Strategy in which the Account was invested has been terminated by Portfolio Labs and you have not selected another Strategy for your assets. These Accounts are referred to as "Terminated Strategy" Accounts. Portfolio Labs will not manage or shall be responsible for giving any advice with regard to these assets, but the Account typically remains invested in the investments last selected for the Strategy at a Platform Fee that is a reduction from that payable when the Strategy was active. The Account will continue to receive administrative and custodial services. Any Financial Advisor Fee previously payable shall be payable on No Strategist or Terminated Strategist Accounts. It is the responsibility of the TPFA to recommend a new Strategy to a Client for a Terminated Strategy Account.

INDIRECT INVESTMENT EXPENSES AND MUTUAL FUND FEES PAID BY CLIENT

Some expenses are inherent within the investments held in Client Accounts. For example, mutual funds pay management fees to their investment managers, and certain funds and money market accounts have other types of fees or charges, including 12b-1, administrative, shareholder servicing, bank servicing or certain other fees, which are typically reflected in the net asset value of these mutual funds held in Client Accounts. Such expenses are borne by all investors holding such securities in their Accounts and are separate from Portfolio Labs' fees or charges.

Retail share classes of mutual funds typically pay 12b-1 fees to Custodians in return for shareholder services performed by those Custodians (referred to as "12b-1 fees"). Portfolio Labs seeks to avoid 12b-1 fees by using mutual fund institutional or investor share classes. Some mutual funds charge short-term redemption fees. Currently, Portfolio Labs seeks to avoid investing Client assets in funds that charge such fees to the extent practicable, but avoidance of these fees cannot be guaranteed.

Portfolio Labs does not receive any portion of any Indirect Investment Fees, including related to mutual fund investments.

CLIENT RESPONSIBILITY FOR THIRD PARTY FEES

Clients are responsible for the payment of all third party fees (i.e. custodian fees, brokerage fees, mutual fund fees, transaction fees, etc.). Those

fees are separate and distinct from the fees and expenses charged by Portfolio Labs. Please see Item 12 of this brochure regarding broker-dealer/custodian.

PREPAYMENT OF FEES

Portfolio Labs collects its fees in arrears. It does not collect fees in advance.

OUTSIDE COMPENSATION FOR THE SALE OF SECURITIES TO CLIENTS

Neither Portfolio Labs nor its supervised persons accept any compensation for the sale of investment products, including asset-based sales charges or service fees from the sale of mutual funds.

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

Side-by-side management refers to managing Accounts with different fee structures and/or different investment or trading practices that may give rise to a conflict of interest causing favorable treatment of one account over another. As described in Items 10 and 11 below, Portfolio Labs manages potential conflicts through a comprehensive compliance program, including aggregation and allocation policies and procedures, cross trading policies and procedures, insider trading policies, code of ethics, proxy voting policies and valuation procedures.

OTHER ADVISOR BENEFITS

Portfolio Labs may enter into other fee arrangements with certain Financial Advisory Firms and/or Financial Advisors as described below. Such arrangements will not increase the Fee payable by the Client. However, Client's should review and understand that these arrangements can be deemed to cause a conflict of interest because they provide Financial Advisory Firms and Financial Advisors with incentives to place and retain Client assets in Portfolio Labs' investment solutions.

Advisor Benefits Program for Financial Advisors

Under Portfolio Labs' Advisor Benefits Program, Financial Advisors are encouraged to utilize Portfolio Labs' advisor-directed tools, templates and best practices, or to engage with Portfolio Labs' to provide education and guidance in implementing a growth plan for their businesses. Certain Financial Advisors can receive an allowance or "growth support" for reimbursement of qualified expenses incurred by the Financial Advisor based

on their participation in Portfolio Labs sponsored events, marketing initiatives, or use of technology resources and tools. This program creates a financial incentive for Financial Advisors to recommend that Clients invest assets through the Portfolio Labs Platform.

Direct and Indirect Support for Financial Advisors

Portfolio Labs may sponsor conferences and/or meetings for participating Financial Advisory Firms and/or Financial Advisors designed to facilitate and promote the success of the Financial Advisory Firm and/or Financial Advisor and/or Portfolio Labs advisory services. Portfolio Labs may cover travel-related expenses for certain Financial Advisors to attend Portfolio Labs' conferences, quarterly meetings or to conduct due diligence visits. Portfolio Labs may contribute to the costs incurred by Financial Advisors in connection with conferences or other Client events conducted by the Financial Advisor or the Financial Advisory Firm. Portfolio Labs also solicits research from Financial Advisors regarding new products or services that Portfolio Labs is considering for Clients. In exchange for this feedback and guidance, Portfolio Labs can offer an incentive to the Financial Advisor for their attendance at, or participation in, for example, an online survey or an in-person focus group. These programs create financial incentives for Financial Advisors to recommend that Clients invest assets through the Portfolio Labs Platform.

Discounted Fees for Financial Advisors

Financial Advisors may receive discounted pricing or complimentary subscriptions from third-party service providers or from Portfolio Labs or its affiliates for services such as business consulting, practice management, technology, financial planning tools and marketing-related tools and services as a result of their participation in the Platform. In certain cases, Portfolio Labs receives a portion of the subscription fees paid by Financial Advisors to such third-party service providers. Discounted pricing and complimentary subscriptions may be subsidized by Portfolio Labs.

Negotiated Fees

Portfolio Labs is permitted, in its discretion, to negotiate the Management Fee for Clients of certain Financial Advisors. Certain Financial Advisors with higher aggregate levels of assets placed with Portfolio Labs may be eligible for negotiated fees, which are passed through to the Client. The Financial Advisor does not earn

additional direct compensation as a result of these negotiated fees.

Performance-Based Fees

Portfolio Labs manages accounts that are billed on performance-based fees (a share of capital gains on or capital appreciation of the assets of a client) as well as accounts that are NOT billed on performance-based fees. Managing both kinds of accounts at the same time presents a conflict of interest because Portfolio Labs or its supervised persons have an incentive to favor accounts for which Portfolio Labs and its supervised persons receive a performance-based fee. Portfolio Labs addresses the conflicts by ensuring that clients are not systematically advantaged or disadvantaged due to the presence or absence of performance-based fees. Portfolio Labs seeks best execution and upholds its fiduciary duty for all clients.

Clients that are paying a performance-based fee should be aware that investment advisers have an incentive to invest in riskier investments when paid a performance-based fee due to the higher risk/higher reward attributes.

Performance-based fees can only be charged to "Qualified Clients".

In general, a "Qualified Client" is:

- 4) a natural person or company who at the time of entering into such agreement has at least \$1,100,000 under the management of the investment adviser;
- 5) a natural person or company who the adviser reasonably believes at the time of entering into the contract: (A) has a net worth of jointly with his or her spouse of more than \$2,200,000 excluding the value of the client's primary residence; or (B) is a qualified purchaser as defined in the Investment Company Act of 1940, §2(a)(51)(A) (15 U.S.C. 80a-2(51)(A)); or
- 6) a natural person who at the time of entering into the contract is: (A) An executive officer, director, trustee, general partner, or person serving in similar capacity of the investment adviser; or (B) An employee of the investment adviser (other than an employee performing solely clerical, secretarial, or administrative functions with regard to the investment adviser), who, in connection with his or her regular functions or duties, participates in the investment activities of such investment adviser, provided that such employee has been performing such functions and duties for or on behalf of the investment adviser, or

substantially similar function or duties for or on behalf of another company for at least 12 months.

Performance fees will only be charged to California clients in accordance with the provisions of California Code of Regulations Section 260.234.

ITEM 7 - TYPES OF CLIENTS

Portfolio Labs offers investment advisory services primarily to individuals ("TP Clients") through third-party investment adviser firms. In select cases we offer portfolio management services directly to individuals ("Direct Clients"). Portfolio Labs' Clients include but are not limited to individuals, high-net-worth individuals, pension and profit-sharing plans, partnerships, trusts, and other investment managers.

For DOTS accounts, the stated minimum is \$500k across the household, which may include multiple accounts. Portfolio Labs reserves the right to waive the account minimum requirements.

ITEM 8 - METHODS OF ANALYSIS, INVESTMENT STRATEGIES, & RISK OF LOSS

METHODS OF ANALYSIS AND INVESTMENT STRATEGIES

Methods of Analysis

Portfolio Labs' methods of analysis include quantitative analysis (for security selection) and modern portfolio theory (for portfolio construction).

Quantitative analysis deals with measurable factors such as a company's price or earnings as distinguished from qualitative considerations such as the character of management or the state of employee morale. Each potential investment security may be assigned a score, calculated in accordance with the investment strategy, or they may be ranked to identify a pool of attractive potential investments.

Modern portfolio theory is a theory of investment that attempts to maximize portfolio expected return for a given amount of portfolio risk, or equivalently minimize risk for a given level of expected return, each by carefully choosing the proportions of various asset.

Investment Solutions

For TP Clients of TPAFs, Portfolio Labs offers three Solutions, each implemented by a division of

Portfolio Labs (Dynamic Wealth Management; Thematic Capital Management; and Direct Index Strategies) focused on Investment Solutions based on a particular Investment Approach.

For Direct Clients, Portfolio Labs offers Investment Solutions from Thematic Capital Management and Direct Index Strategies

Dynamic Wealth Management

Dynamic Wealth Management ("DWM"), a division of Portfolio Labs, offers an innovative, holistic, dynamic portfolio management service based on the individual goals, objectives, time horizon, and risk tolerance of each TP Client. The Dynamic Outcome Target Strategy ("DOTS") offered by DWM is a customizable Investment Solution designed to be used in conjunction with a financial plan.

The DOTS Investment Solution attempts to achieve a target rate of return, specified by the TPFA, over the time horizon of the financial plan (10 years or more) with the least amount of volatility.

There can be no guarantee that any Investment Solution's objectives will be achieved. All Investment Solutions involve the risk of investment loss.

Thematic Capital Management

Thematic Capital Management ("TCM"), a division of Portfolio Labs, offers focused thematic- and style-based separately managed accounts ("SMAs") that can be used on a stand-alone basis or combined into a single unified managed account ("UMA").

Thematic investing is an approach that focuses on predicted trends rather than specific companies or sectors, enabling investors to efficiently pursue returns associated with structural shifts that can affect entire industries and economies.

There can be no guarantee that any Investment Solution's objectives will be achieved. All Investment Solutions involve the risk of investment loss.

Direct Index Strategies

Direct Index Strategies ("DIS"), a division of Portfolio Labs, offers portfolios of individual equities managed in a manner similar to popular funds and ETFs. DIS portfolios are available only as SMAs; multiple Investment Strategies cannot be combined in a UMA.

Direct index investing is an approach which attempts to improve upon the overall client

experience of investing in a commingled vehicle through the use of individual securities and sophisticated portfolio construction techniques. Potential benefits include increased tax efficiency, greater precision of investment allocation, and/or lower cost.

There can be no guarantee that any Investment Solution's objectives will be achieved. All Investment Solutions involve the risk of investment loss.

MATERIAL RISKS INVOLVED

Clients should understand that all investments involve risk (the amount of which vary significantly), that investment performance can never be predicted or guaranteed and that the value of their Accounts will fluctuate due to market conditions and other factors.

Methods of Analysis

Quantitative analysis Investment strategies using quantitative models may perform differently than expected as a result of, among other things, the factors used in the models, the weight placed on each factor, changes from the factors' historical trends, and technical issues in the construction and implementation of the models.

Investment Strategies

Portfolio Labs strategies involve both short-term and long-term trading. Short-term trading risks include liquidity, economic stability, and inflation, in addition to the long term trading risks listed above. Frequent trading can affect investment performance, particularly through increased brokerage and other transaction costs and taxes. Long-term trading is designed to capture market rates of both return and risk. Due to its nature, the long-term investment strategy can expose clients to various types of risk that will typically surface at various intervals during the time the client owns the investments. These risks include but are not limited to inflation (purchasing power) risk, interest rate risk, economic risk, market risk, and political/regulatory risk.

There can be no guarantee that any Investment Solution's objectives will be achieved. Investing in securities involves a risk of loss that you, as a client, should be prepared to bear.

RISKS OF SPECIFIC SECURITIES UTILIZED

Clients should be aware that there is a material risk of loss using any investment strategy. The investment types listed below are not guaranteed

or insured by the FDIC or any other government agency.

Equities

Equity investment generally refers to buying shares of stocks in return for receiving a future payment of dividends and/or capital gains if the value of the stock increases. The value of equity securities may fluctuate in response to specific situations for each company, industry conditions and the general economic environments.

Fixed Income

Fixed income investments generally pay a return on a fixed schedule, though the amount of the payments can vary. This type of investment can include corporate and government debt securities, leveraged loans, high yield, and investment grade debt and structured products, such as mortgage and other asset-backed securities, although individual bonds may be the best known type of fixed income security. In general, the fixed income market is volatile and fixed income securities carry interest rate risk. (As interest rates rise, bond prices usually fall, and vice versa. This effect is usually more pronounced for longer-term securities.) Fixed income securities also carry inflation risk, liquidity risk, call risk, and credit and default risks for both issuers and counterparties. The risk of default on treasury inflation protected/inflation linked bonds is dependent upon the U.S. Treasury defaulting (extremely unlikely); however, they carry a potential risk of losing share price value, albeit rather minimal.

Mutual Funds

Investing in mutual funds carries the risk of capital loss and thus you may lose money investing in mutual funds. All mutual funds have costs that lower investment returns. The funds can be of bond "fixed income" nature (lower risk) or stock "equity" nature. Under certain economic or market conditions or other circumstances, mutual funds pay redemption proceeds by an in-kind distribution of securities in lieu of cash. Mutual funds, broker-dealers or transfer agents can experience delays in processing orders, or suspend redemptions or securities trading under emergency circumstances declared by the SEC, the New York Stock Exchange or other stock exchanges or regulatory agencies.

Exchange Traded Funds (ETFs)

An ETF is an investment fund traded on stock exchanges, similar to stocks. Investing in ETFs carries the risk of capital loss (sometimes up to a 100% loss in the case of a stock holding

bankruptcy). Areas of concern include the lack of transparency in products and increasing complexity, conflicts of interest and the possibility of inadequate regulatory compliance. Risks in investing in ETFs include trading risks, liquidity and shutdown risks, risks associated with a change in authorized participants and non-participation of authorized participants, risks that trading price differs from indicative net asset value (iNAV), or price fluctuation and disassociation from the index being tracked. With regard to trading risks, regular trading adds cost to your portfolio thus counteracting the low fees that one of the typical benefits of ETFs. Additionally, regular trading to beneficially "time the market" is difficult to achieve. Even paid fund managers struggle to do this every year, with the majority failing to beat the relevant indexes. With regard to liquidity and shutdown risks, not all ETFs have the same level of liquidity. Since ETFs are at least as liquid as their underlying assets, trading conditions are more accurately reflected in implied liquidity rather than the average daily volume of the ETF itself. Implied liquidity is a measure of what can potentially be traded in ETFs based on its underlying assets. ETFs are subject to market volatility and the risks of their underlying securities, which may include the risks associated with investing in smaller companies, foreign securities, commodities, and fixed income investments (as applicable). Foreign securities in particular are subject to interest rate, currency exchange rate, economic, and political risks, all of which are magnified in emerging markets. ETFs that target a small universe of securities, such as a specific region or market sector, are generally subject to greater market volatility, as well as to the specific risks associated with that sector, region, or other focus. ETFs that use derivatives, leverage, or complex investment strategies are subject to additional risks. The return of an index ETF is usually different from that of the index it tracks because of fees, expenses, and tracking error. An ETF may trade at a premium or discount to its net asset value (NAV) (or indicative value in the case of exchange-traded notes). The degree of liquidity can vary significantly from one ETF to another and losses may be magnified if no liquid market exists for the ETF's shares when attempting to sell them. Each ETF has a unique risk profile, detailed in its prospectus, offering circular, or similar material, which should be considered carefully when making investment decisions.

Options

Options are a type of derivative instrument and can be more sensitive to changes to fluctuations in

market prices than conventional securities, which can result in greater gains and losses. In addition, the prices of the derivative instruments and the prices of underlying securities, interest rates or currencies they are designed to reflect may not move together as expected.

If “covered” call options are sold to generate income (premiums), the Client may give up some of the opportunity to benefit from potential increases in the value of the underlying securities above the exercise prices of such options, but will continue to bear the risk of declines. The premiums received from the options may not be sufficient to offset any losses sustained from the volatility of the underlying stocks over time. As a result, the risks associated with writing covered call options may be similar to the risks associated with writing put options. In addition, the Client’s ability to sell the securities underlying the options will be limited while the options are in effect unless Portfolio Labs cancels out the option positions through the purchase of offsetting identical options prior to the expiration of the written options. Exchanges may suspend the trading of options in volatile markets. If trading is suspended, the Client may be unable to write options at times that may be desirable or advantageous to do so, which may increase the risk of loss.

TAX RISK

Clients who open Accounts by transferring securities instead of opening an Account with cash, should also understand that all or a portion of their securities will be sold either at the initiation of or during the course of management of their Accounts. The Client is responsible for all of the tax liabilities arising from such transactions and is encouraged to seek the advice of a qualified tax professional. Portfolio Labs does not provide tax advice.

Past performance is not indicative of future results. Investing in securities involves a risk of loss that you, as a client, should be prepared to bear.

ITEM 9 - DISCIPLINARY INFORMATION

CRIMINAL OR CIVIL ACTIONS

There are no criminal or civil actions to report.

ADMINISTRATIVE PROCEEDINGS

There are no administrative proceedings to report.

SELF-REGULATORY ORGANIZATION (SRO) PROCEEDINGS

There are no self-regulatory organization proceedings to report.

ITEM 10 - OTHER FINANCIAL INDUSTRY ACTIVITIES AND AFFILIATIONS

REGISTRATION AS A BROKER/DEALER OR BROKER/DEALER REPRESENTATIVE

Neither Portfolio Labs nor its representatives are registered as, or have pending applications to become, a broker/dealer or a representative of a broker/dealer.

REGISTRATION AS A FUTURES COMMISSION MERCHANT, COMMODITY POOL OPERATOR, OR A COMMODITY TRADING ADVISOR

Neither Portfolio Labs nor its representatives are registered as or have pending applications to become either a Futures Commission Merchant, Commodity Pool Operator, or Commodity Trading Advisor or an associated person of the foregoing entities.

REGISTRATION RELATIONSHIPS MATERIAL TO THIS ADVISORY BUSINESS AND POSSIBLE CONFLICTS OF INTEREST

Jason Terrance Thomas is the founder of Capital Markets Research & Strategy, an investment research business that conducts research on capital markets and investment strategies, and also creates and maintains investment indices. Capital Markets Research & Strategy does not offer investment products or advice therefore does not present a conflict of interest to Portfolio Labs clients. Jason Terrance Thomas spends approximately 10 hours per week during off hours conducting research and distributing commentary.

All material conflicts of interest under Section 260.238 (k) of the California Corporations Code are disclosed regarding the investment adviser, its representatives or any of its employees, which could be reasonably expected to impair the rendering of unbiased and objective advice.

SELECTION OF OTHER ADVISORS OR MANAGERS AND HOW THIS ADVISOR IS COMPENSATED FOR THOSE SELECTIONS

Portfolio Labs does not utilize nor select third-party investment advisers.

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

CODE OF ETHICS

Portfolio Labs has a written Code of Ethics that covers the following areas: Prohibited Purchases and Sales, Insider Trading, Personal Securities Transactions, Exempted Transactions, Prohibited Activities, Conflicts of Interest, Gifts and Entertainment, Confidentiality, Service on a Board of Directors, Compliance Procedures, Compliance with Laws and Regulations, Procedures and Reporting, Certification of Compliance, Reporting Violations, Compliance Officer Duties, Training and Education, Recordkeeping, Annual Review, and Sanctions. Portfolio Labs' Code of Ethics is available free upon request to any client or prospective client.

RECOMMENDATIONS INVOLVING MATERIAL FINANCIAL INTERESTS

Portfolio Labs does not recommend that clients buy or sell any security in which a related person to Portfolio Labs or Portfolio Labs has a material financial interest.

INVESTING PERSONAL MONEY IN THE SAME SECURITIES AS CLIENTS

From time to time, representatives of Portfolio Labs may buy or sell securities for themselves that they also recommend to clients. This may provide an opportunity for representatives of Portfolio Labs to buy or sell the same securities before or after recommending the same securities to clients resulting in representatives profiting off the recommendations they provide to clients. Such transactions may create a conflict of interest. Portfolio Labs will always document any transactions that could be construed as conflicts of interest and will never engage in trading that operates to the client's disadvantage when similar securities are being bought or sold.

TRADING SECURITIES AT/AROUND THE SAME TIME AS CLIENTS' SECURITIES

From time to time, representatives of Portfolio Labs may buy or sell securities for themselves at or around the same time as clients. This may provide an opportunity for representatives of Portfolio Labs to buy or sell securities before or after recommending securities to clients resulting in

representatives profiting off the recommendations they provide to clients. Such transactions may create a conflict of interest; however, Portfolio Labs will never engage in trading that operates to the client's disadvantage if representatives of Portfolio Labs buy or sell securities at or around the same time as clients.

ITEM 12 - BROKERAGE PRACTICES

FACTORS USED TO SELECT CUSTODIANS AND/OR BROKER DEALERS

Custodians/broker-dealers will be recommended based on Portfolio Labs' duty to seek "best execution," which is the obligation to seek execution of securities transactions for a client on the most favorable terms for the client under the circumstances. Clients will not necessarily pay the lowest commission or commission equivalent, and Portfolio Labs may also consider the market expertise and research access provided by the broker- dealer/custodian, including but not limited to access to written research, oral communication with analysts, admittance to research conferences and other resources provided by the brokers that may aid in Portfolio Labs' research efforts. Portfolio Labs will never charge a premium or commission on transactions, beyond the actual cost imposed by the broker- dealer/custodian.

Portfolio Labs will require clients to use Schwab Advisor Services, a division of Charles Schwab, Inc. Member FINRA/SIPC.

Research and Other Soft-Dollar Benefits

While Portfolio Labs has no formal soft dollars program in which soft dollars are used to pay for third party services, Portfolio Labs may receive research, products, or other services from custodians and broker-dealers in connection with client securities transactions ("soft dollar benefits"). Portfolio Labs may enter into soft-dollar arrangements consistent with (and not outside of) the safe harbor contained in Section 28(e) of the Securities Exchange Act of 1934, as amended. There can be no assurance that any particular client will benefit from soft dollar research, whether or not the client's transactions paid for it, and Portfolio Labs does not seek to allocate benefits to client accounts proportionate to any soft dollar credits generated by the accounts. Portfolio Labs benefits by not having to produce or pay for the research, products or services, and Portfolio Labs will have an incentive to recommend a broker-dealer based on receiving research or services. Clients should be aware that Portfolio Labs'

acceptance of soft dollar benefits may result in higher commissions charged to the client.

Brokerage for Client Referrals

Portfolio Labs receives no referrals from a broker-dealer or third party in exchange for using that broker-dealer or third party.

Clients Directing Which Broker/Dealer/Custodian to Use

Portfolio Labs will require clients to use a specific broker-dealer to execute transactions. Not all advisers require clients to use a particular broker-dealer.

AGGREGATING (BLOCK) TRADING FOR MULTIPLE CLIENT ACCOUNTS

If Portfolio Labs buys or sells the same securities on behalf of more than one client, then it may (but would be under no obligation to) aggregate or bunch such securities in a single transaction for multiple clients in order to seek more favorable prices, lower brokerage commissions, or more efficient execution. In such case, Portfolio Labs would place an aggregate order with the broker on behalf of all such clients in order to ensure fairness for all clients; provided, however, that trades would be reviewed periodically to ensure that accounts are not systematically disadvantaged by this policy. Portfolio Labs would determine the appropriate number of shares and select the appropriate brokers consistent with its duty to seek best execution, except for those accounts with specific brokerage direction (if any).

ITEM 13 - REVIEW OF ACCOUNTS

FREQUENCY AND NATURE OF PERIODIC REVIEWS AND WHO MAKES THOSE REVIEWS

TP Clients

For TP Clients, the TPFA provides the specific advice to the Client concerning the Client's investment Strategy for each Account, including the Investment Solution, the particular Investment Approach or sub-strategy to be chosen for the Client, and the Client's appropriate Risk/Return Profile. The TPAF and/or the Client (depending upon the specific form of agreement entered into between the TPAF and the Client) retains discretion to choose the Investment Solution, Investment Objectives and Investment Strategy for the Client's Accounts. Clients are provided with periodic custodial reports from a custodian and Portfolio Labs may provide the TPAF with additional

information or analysis regarding its Client's Accounts. The periodic custodial reports include a listing of all investments in the Client's account, their current valuation, and a listing of all transactions occurring during the period.

The Clients can contact their TPFA to arrange for consultations regarding the management of their Accounts. Clients should refer to their TPFA to discuss and assess their current financial situation, investment needs and future requirements in order to implement and monitor investment portfolios designed to meet the Client's financial needs

Direct Clients

Portfolio Labs does not assign Direct Client Accounts directly to specific individuals for investment supervision, and there is no single individual or class of individuals within the organization that can be identified as being solely responsible for implementing a full set of review criteria on any one Client Account. Instead, Portfolio Labs offers a range of Solution Types to its Clients, each of which is a Model Portfolio to which the Client's Account is linked. A variety of teams within the organization then have responsibility for reviewing the application of the appropriate investment guidelines to each Account. All client accounts for Portfolio Labs' advisory services provided on an ongoing basis are reviewed at least quarterly by Jason Thomas, Managing Member and Chief Compliance Officer, with regard to clients' respective investment policies and risk tolerance levels. All accounts at Portfolio Labs are assigned to this reviewer.

FACTORS THAT WILL TRIGGER A NON-PERIODIC REVIEW OF CLIENT ACCOUNTS

Reviews may be triggered by material market, economic or political events, or by changes in client's financial situations (such as retirement, termination of employment, physical move, or inheritance).

CONTENT AND FREQUENCY OF REGULAR REPORTS PROVIDED TO CLIENTS

Each client of Portfolio Labs' advisory services provided on an ongoing basis will receive a quarterly report detailing the client's account, including assets held, asset value, and calculation of fees. This written report will come from the custodian. Portfolio Labs will also provide at least quarterly a separate written statement to the client.

ITEM 14 - CLIENT REFERRALS AND OTHER COMPENSATION

ECONOMIC BENEFITS PROVIDED BY THIRD PARTIES FOR ADVICE RENDERED TO CLIENTS (INCLUDES SALES AWARDS OR OTHER PRIZES)

Portfolio Labs does not receive compensation for services provided to Clients via any arrangements with third parties.

COMPENSATION TO NON-ADVISORY PERSONNEL FOR CLIENT REFERRALS

Portfolio Labs does not directly or indirectly compensate any person who is not advisory personnel for client referrals.

ITEM 15 - CUSTODY

When advisory fees are deducted directly from client accounts at client's custodian, Portfolio Labs will be deemed to have limited custody of client's assets. Because client fees will be withdrawn directly from client accounts, in states that require it, Portfolio Labs will:

(A) Possess written authorization from the client to deduct advisory fees from an account held by a qualified custodian.

(B) Send the qualified custodian written notice of the amount of the fee to be deducted from the client's account and verify that the qualified custodian sends invoices to the client.

(C) Send the client a written invoice itemizing the fee upon or prior to fee deduction, including the formula used to calculate the fee, the time period covered by the fee and the amount of assets under management on which the fee was based.

CLIENTS WILL RECEIVE ALL ACCOUNT STATEMENTS AND BILLING INVOICES THAT ARE REQUIRED IN EACH JURISDICTION, AND THEY SHOULD CAREFULLY REVIEW THOSE STATEMENTS FOR ACCURACY. CLIENTS ARE URGED TO COMPARE THE ACCOUNT STATEMENTS THEY RECEIVED FROM CUSTODIAN WITH THOSE THEY RECEIVED FROM PORTFOLIO LABS. ITEM 16 - INVESTMENT DISCRETION

Portfolio Labs provides discretionary investment advisory services to clients. The IMC established with each client sets forth the discretionary authority for trading. Where investment discretion has been granted, Portfolio Labs generally manages the client's account and makes investment decisions without consultation with the client as to when the securities are to be bought or sold for the account, the total amount of the securities to be bought/sold, what securities to buy or sell, or the price per share.

In some instances, Portfolio Labs' discretionary authority in making these determinations may be limited by written request of the Client. For certain Strategies, Portfolio Labs allows investment limitations against investments in specific securities or types of securities for their Account that are reasonable in light of the advisory services being provided under the different Investment Solutions offered. The Client understands that any restrictions placed on an Account can adversely affect performance. Requests for such restrictions are reviewed by Portfolio Labs to ensure that they are reasonable and will not unduly impair Portfolio Labs' ability to pursue the Investment Solution and Investment Strategy selected by the Client.

ITEM 17 - VOTING CLIENT SECURITIES (PROXY VOTING)

Portfolio Labs will not ask for, nor accept voting authority for client securities. Clients will receive proxies directly from the issuer of the security or the custodian. Clients should direct all proxy questions to the issuer of the security.

ITEM 18 - FINANCIAL INFORMATION

BALANCE SHEET

Portfolio Labs neither requires nor solicits prepayment of more than \$500 in fees per client, six months or more in advance, and therefore is not required to include a balance sheet with this brochure.

FINANCIAL CONDITIONS REASONABLY LIKELY TO IMPAIR ABILITY TO MEET CONTRACTUAL COMMITMENTS TO CLIENTS

Neither Portfolio Labs nor its management has any financial condition that is likely to reasonably impair Portfolio Labs' ability to meet contractual commitments to clients.

BANKRUPTCY PETITIONS IN PREVIOUS TEN YEARS

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

ITEM 19 - REQUIREMENTS FOR STATE REGISTERED ADVISERS

PRINCIPAL EXECUTIVE OFFICERS AND MANAGEMENT PERSONS; THEIR FORMAL EDUCATION AND BUSINESS BACKGROUND

Portfolio Labs currently has only one management person/executive officer: Jason Terrance Thomas. Education and business background can be found on the Form ADV Part 2B brochure supplement for such individual.

OTHER BUSINESSES IN WHICH THIS ADVISORY FIRM OR ITS PERSONNEL ARE ENGAGED AND TIME SPENT ON THOSE (IF ANY)

Other business activities for each relevant individual can be found on the individual's Form ADV Part 2B brochure supplement.

HOW PERFORMANCE-BASED FEES ARE CALCULATED AND DEGREE OF RISK TO CLIENTS

Portfolio Labs accepts performance-based fees, fees based on a share of capital gains on or capital appreciation of the assets of a client.

Total Assets Under Management	Base Fee	Performance Fee
Change in Assets Under Management net of deposits and withdrawals	0.00%	15% of investment growth only if change is positive

For performance-based fee structures, the fee is based on the performance of the Account and the passage of time. Portfolio Labs uses the account value at the beginning and end of the billing period for purposes of determining the market value of the assets upon which the performance fee is based. The performance fee is charged on the greater of (i) Investment Growth, defined as the ending assets minus the beginning assets, minus deposits during the period, plus withdrawals during the period or (ii) zero (\$0). As a result, the performance fee will be greater than zero only if the Investment Growth during the billing period is

greater than zero; if the Investment Growth is negative, no fee will be charged for that period. These fees may be negotiable, and the final fee schedule will appear in the Addendum to the IAC.

A conflict exists when utilizing performance-based fee structures whereby PDL may have an incentive to manage an Account more aggressively to increase performance, thereby increasing the performance-based fee paid to PDL. This conflict is mitigated in several ways. First, the performance-based fee structure is symmetric – any increase in the volatility of the Investment Strategy may also *reduce* Portfolio Labs' compensation, including to zero. Second, for Clients using the DOTS strategy, the target rate of return is identified and agreed upon by the client in consultation with their TPFA.

Performance-based fees can only be charged to "Qualified Clients".

In general, a "Qualified Client" is:

- 7) a natural person or company who at the time of entering into such agreement has at least \$1,100,000 under the management of the investment adviser;
- 8) a natural person or company who the adviser reasonably believes at the time of entering into the contract: (A) has a net worth of jointly with his or her spouse of more than \$2,200,000 excluding the value of the client's primary residence; or (B) is a qualified purchaser as defined in the Investment Company Act of 1940, §2(a)(51)(A) (15 U.S.C. 80a-2(51)(A)); or
- 9) a natural person who at the time of entering into the contract is: (A) An executive officer, director, trustee, general partner, or person serving in similar capacity of the investment adviser; or (B) An employee of the investment adviser (other than an employee performing solely clerical, secretarial, or administrative functions with regard to the investment adviser), who, in connection with his or her regular functions or duties, participates in the investment activities of such investment adviser, provided that such employee has been performing such functions and duties for or on behalf of the investment adviser, or substantially similar function or duties for or on behalf of another company for at least 12 months.

Performance fees will only be charged to California clients in accordance with the provisions of California Code of Regulations Section 260.234.

Clients that are paying a performance-based fee should be aware that investment advisers have an incentive to invest in riskier investments when paid a performance-based fee due to the higher risk/higher reward attributes.

**MATERIAL DISCIPLINARY DISCLOSURES FOR
MANAGEMENT PERSONS OF THIS FIRM**

No management person at Portfolio Labs or Portfolio Labs has been found liable in an arbitration claim or been found liable in a civil, self-regulatory organization, or administrative proceeding that is material to the client's evaluation of the firm or its management.

**MATERIAL RELATIONSHIPS THAT
MANAGEMENT PERSONS HAVE WITH
ISSUERS OF SECURITIES (IF ANY)**

See Item 10.C and 11.B.