

ELV8 Inc. d/b/a Scout  
Form ADV Part 2A  
Appendix 1  
Wrap Fee Program Brochure

Scout Wrap Fee Program

9 Wintergreen Ct  
Clifton Park, NY 12065

<https://scoutftw.com>

March 29, 2024

This brochure provides information about the qualifications and business practices of ELV8 Inc. (“Scout”). If you have any questions about the contents of this brochure, please contact us at 323-576-6750. 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 Scout is also available on the SEC’s website at: [www.adviserinfo.sec.gov](http://www.adviserinfo.sec.gov).

## **Item 2: Material Changes**

Scout is required to disclose a summary of material changes that have occurred to this Brochure since our last annual update. Material changes generally relate to Scout's policies, practices, or conflicts of interest. While Scout has previously filed a Wrap Fee Program Brochure, this is our first filing of a Brochure for this specific Wrap Fee Program. Therefore, there are no material changes to report.

We encourage you to read this document in its entirety.

If you would like another copy of this Brochure, please download it from the SEC website as indicated in Item 1, or you may contact our principal office at (323) 576-6750 or [mike@elevatewith.com](mailto:mike@elevatewith.com).

### **Item 3: Table of Contents**

Item 2: Material Changes .....	2
Item 3: Table of Contents .....	3
Item 4: Advisory Business.....	4
Item 5: Account Requirements and Types of Clients.....	7
Item 6: Portfolio Manager Selection and Evaluation .....	7
Item 7: Client Information Provided to Portfolio Managers .....	14
Item 8: Client Contact with Portfolio Managers .....	15
Item 9: Additional Information .....	16

## Item 4: Advisory Business

ELV8 Inc (hereinafter “Scout”, “we”, “us”, “our”) provides portfolio management to clients under this wrap fee program as sponsor and portfolio manager. Scout was founded in 2020 by Michael Haddix Jr, Chief Executive Officer, and Cindy Zeng, Chief Technology Officer. Scout’s registration with the United States Securities and Exchange Commission became effective in March 2022. Scout’s principal place of business is in New York.

*Please note that registration does not imply a certain level of skill or training and that you may direct any questions regarding our status as a registered investment adviser to our firm via the contact information listed on the Cover Page of this Brochure.*

Scout partners with colleges and universities to provide student athletes (“User(s)” or “client(s)”) with access to customized tools, guides, dashboards and individual and group financial planning or education sessions with financial professionals. Through its suite of services and interactive platform, Scout seeks to partner with Users to understand their unique needs and to craft a comprehensive approach to support financial wellness. Scout provides resources and tools for understanding a variety of financial wellness topics in addition to the robo advisory services offered through Scout’s app (the “App”).

The investing features in the App allow users to invest in one or more themed portfolios of stocks and exchange-traded funds (“ETFs”) curated by Scout’s investment advisory professionals or certain external investment professionals that Scout chooses to partner with. In instances where Scout chooses to engage an external professional to assist in the develop of its investment portfolios, Scout remains responsible for screening and ultimately choosing to recommend the investments proposed by the external party.

Scout considers a client’s investment objective when recommending which portfolio to purchase. A client’s investment objective is determined using a risk profile questionnaire that must be completed for each account before making any investments through the App. Based on these responses, Scout places the client into an appropriate risk category. The client will then be placed into an investment model based on their risk category.

Although we review client risk profiles before recommending investments, we do not guarantee nor ensure the success of any of the recommended investments. We rely on the individual responses to the risk profile questions to provide investment recommendations to our clients. Clients must provide accurate, complete, and truthful answers to the risk profile questions.

Scout manages client accounts on a fully discretionary basis, which means that Scout is authorized to trade our clients’ investments to maintain the client’s target allocation or in response to changes in our investment portfolios. From time to time, we may provide additional investment advice in the form of educational material that may or may not relate to the assets that may be purchased with Scout.

Scout engages Apex Clearing Corporation (“Apex”), an SEC registered broker-dealer and member of FINRA and SIPC, to provide execution and clearing services to its clients. All client trades are

placed through Apex. Clients can only access our robo advisory services through the App; however, clients can use other areas of the App for non-investment advisory services that are provided and managed by ELV8 Inc.

Scout does not offer any legal or tax advice with respect to its investment recommendations, and accordingly, the Adviser strongly urges individuals to work with properly qualified attorneys, accountants, or other professionals regarding their financial and personal situations. Investments in ETFs, equities, and other types of securities are not insured by the Federal Deposit Insurance Corporation or by any other federal government agency. ETFs and equities are not deposits or other obligations of, or guaranteed by, Scout or any affiliate. ***Investments may lose value, including possible total loss of principal.***

### **Fees and Compensation**

Scout does not directly bill clients for the investment advisory services we provide. Rather, Scout is compensated by the colleges and universities (the “Partner Schools”) who choose to provide their student athletes with access to the platform. Generally, the Partner Schools pay a fee based on a contract, and each fee and its payment frequency is privately negotiated. The fee may be charged as a flat fee or on a per-User basis.

Clients are not charged any additional fees for becoming Scout clients and receiving Scout’s investment advisory services.

In the Scout Wrap Program, the fee paid by the Partner Schools to Scout on behalf of our clients is a single advisory fee that covers both investment advice and the execution of transactions. Scout does not receive any compensation that is tied to the transactions that take place in a client’s account and at no time will the wrap fee be charged to clients of Scout.

Neither Scout, nor any representatives of Scout receive any additional compensation beyond advisory fees for the participation of clients in the wrap fee program. However, the compensation we receive may be more than what would have been received if you paid separately for investment advice, brokerage, and other services. Therefore, Scout may have a financial incentive to recommend the wrap fee program to clients. Please also note that at this time, Scout’s advisory services are only offered in the form of a wrap fee program and therefore, you are not able to pay separately for investment advice, brokerage, and other services through Scout.

Certain of Scout’s investment advisory professionals may receive compensation for their participation in other, outside business activities. Details of these activities can be found in the individual professional’s ADV Part 2B Brochure Supplement.

### **Additional Fees**

Clients are responsible for some additional fees that may be charged by Apex. These fees are called Pass-through Fees, and they are: an SEC fee (sell side only), TAF Fee (sell side), and ADR Fee.

Apex may also charge other fees (different from the Pass-through Fees) for providing additional services to Scout's clients, and clients will pay those other fees directly to Apex. Other fees may include fees for transferring a brokerage account from Apex to another brokerage firm, charges for miscellaneous requests such as requesting a physical copy of a trade confirmation or statement or requesting a tax document to be faxed or sent by regular mail, as well as charges for withdrawal or other administrative requests, such as ACH transfers (outgoing) and wire transfers. To learn more about the different fees that could be charged to you, please see the fee disclosures Apex provides upon opening a brokerage account with them.

Clients who invest in ETFs may also indirectly pay management fees or other expenses to the purchased ETF. ETFs pay their own management, transaction, and administrative fees and expenses, and those fees and expenses are indirectly borne by the shareholders in those investment vehicles. Depending on the activities or services (e.g., transferring an account to another broker, requesting physical copy of a trade confirm, and so on), the broker could also charge you other fees. These additional fees are deducted directly by the ETF and reflected in its net asset value.

Apex does not allow clients to maintain accounts directly with Apex. In the event that your relationship with Scout terminates, you will be required to transfer the assets out of your Scout account either by liquidating your holdings and transferring out as cash, or by transferring the assets in kind to another broker dealer.

In the event of a transfer of your assets, any fees charged by Apex or the receiving institution in connection with the transfer will be borne by you. If you choose to transfer the investments and assuming that transfer instructions are received in good order by Apex, the transfer will occur within 30 business days. Clients can only transfer whole shares to other brokerages; fractional shares must be liquidated.

Clients may terminate their investment advisory agreement without penalty, upon written notice (via email at: [mike@elevatewith.com](mailto:mike@elevatewith.com)).

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

Scout generally offers its advisory services to individual and high net worth individual clients. Currently, clients must maintain a minimum account balance of \$10 USD to have an active account with Scout and should note that certain transactions have a dollar amount minimum. Therefore, in certain scenarios, funds transferred into Scout may be held in cash until those dollar amount minimums have been met.

Participation in the Scout Wrap Program is limited to individuals who are associated with the Partner Schools, and therefore an individual must be introduced to Scout by a Partner School (and have their advisory fee paid by that Partner School) in order to open a Scout Wrap Program account with Scout. Scout may agree to maintain an advisory relationship with certain individuals who, at the time of account opening, were introduced by a Partner School but cease to have a relationship with that Partner School. In these instances, a new investment advisory agreement will be put in place.

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

### **Selecting and Reviewing Portfolio Managers**

In the Scout Wrap Program, unless otherwise indicated by us and agreed to by you, our Client, we do not select, review, or recommend other investment advisers or portfolio managers but we are subject to our own review. In the Scout Wrap Program, we provide ongoing investment advice and management on assets in accounts held at Apex.

In certain cases, Scout may choose to engage third party Investment Managers (the “Investment Managers”) for our platform in order to make available a curated range of investment options and philosophies to our clients. In this scenario, Scout will review, on a periodic basis, the Investment Managers available as part of the Scout Wrap Program. An Investment Manager may provide services to Scout and the Scout Wrap Program as a subadviser. In addition to deciding on the securities and asset allocation for a client account, subadvisers are responsible for determining when and how to execute transactions and for selecting the broker dealers through which to execute transactions. Please see Item 5 above for a description of the fees our clients may pay. The fees allowed to be charged by Apex in the Scout Wrap Program may be charged by another broker dealer if selected by a subadviser we choose to engage.

When we engage Investment Managers, Scout uses information provided by the Investment Manager and also may use independent, third party data sources when evaluating such Investment Manager. Investment Manager performance information provided to Scout is not calculated on a uniform and consistent basis and Scout does not review this performance information to determine or verify its accuracy, nor does Scout independently calculate third party Investment Manager performance. However, Scout provides clients with individual performance information. Performance information distributed is compiled by Scout using third party portfolio accounting and reporting software. Client performance information is calculated on a uniform and consistent basis using a time weighted basis. Performance information is intended to inform clients as to how

their investments have performed for a period, both on an absolute basis and compared to investment indices.

Scout clients may consult with Scout at any time concerning their account. It is not anticipated that clients will have the opportunity to consult directly with Investment Managers concerning their asset allocation strategies, although Scout will be provided with information concerning such Strategies and any updates or revisions to such information. For more information regarding specific Investment Manager's processes and philosophy, or to request a copy of an Investment Manager's Form ADV Part 2A Disclosure Brochure, clients should contact Scout at the address on the front cover of this Brochure.

### **Related Persons**

When Scout and our personnel serve as the portfolio manager(s) for our wrap fee program accounts, this is a conflict of interest because no outside adviser assesses our management of the wrap fee program accounts. However, we address this conflict by acting in our clients' best interest, consistent with our fiduciary duty as sponsor and portfolio manager of the wrap fee program.

### **Advisory Business**

Scout provides "robo-advisory" portfolio management services through our App. This entails the use of algorithm-based portfolio management advice, rather than fully customized and in-person investment advice. These automated investment solutions may, on occasion, allow some customization based on certain individual client preferences, and our recommendations are based on information that is provided by our clients such as the client's age, risk tolerance, income, and current assets. Scout's investment advisory personnel oversee the algorithm but may not monitor each client's account individually. You are encouraged to update your account profile with any change in your objectives, risk tolerance, or other pertinent information, as that information factors into the portfolio's composition. We require discretionary authority from clients in order to select securities and execute transactions without permission from you prior to each transaction.

Clients authorize Scout to effect transactions in the client's account in accordance with the security selection and allocation for each specific model portfolio deemed appropriate based on the client's profile information and any available customizations selected. In general, while clients may, in certain circumstances, have the ability to direct certain trading activity in their account(s), clients cannot impose restrictions on the discretionary management of their accounts by Scout.

Portfolio management accounts participating in the Scout Wrap Program will not have to pay for transaction or trading fees. The wrap fee received by Scout is deemed to be a portion of the compensation that Scout receives from its Partner Schools, and Scout pays transaction fees using the fee collected from the Partner Schools. Certain other fees are not included in the wrap fee and are paid for separately by the client. These include, but are not limited to, margin costs, charges imposed directly by a mutual fund or exchange traded fund, deferred sales charges, odd-lot differentials, transfer taxes, wire transfer and electronic fund fees, and other fees and taxes on brokerage accounts and securities transactions.



Accounts participating in the wrap fee program are not charged higher advisory fees based on trading activity, but clients should be aware that Scout has an incentive to limit trading activities for those accounts since the firm absorbs those transaction costs. To address this conflict, Scout will always act in the best interest of its clients consistent with its fiduciary duty as an investment adviser.

### **Services Limited to Specific Types of Investments**

Scout generally limits its investment advice to equities, fixed income securities, and ETFs. Scout may use other securities as well to help diversify a portfolio when applicable.

### **Client Tailored Services and Client Imposed Restrictions**

Scout offers the same suite of services to all clients in the Scout Wrap Program. However, specific client investment strategies and their implementation are dependent upon the client's current situation (factors that may include but are not limited to, income, tax levels, and risk tolerance levels). Generally, you are not permitted to impose individualized restrictions on the management of your accounts as these restrictions could prevent us from properly servicing your account or cause us to deviate from our standard suite of services. In instances where a client request would cause the aforementioned, we reserve the right to end our relationship with you.

### **Wrap Fee Programs**

As discussed herein, Scout sponsors and acts as portfolio manager for this wrap fee program. Scout manages the investments in the wrap fee program but does not manage those wrap fee accounts any differently than it would manage non-wrap fee accounts. The portion of fees paid by the Partner Schools that is considered to be the wrap account program fee will be given to Scout as a management fee.

### **Performance-Based Fees and Side-by-Side Management**

Scout does not accept performance-based fees or other fees based on a share of capital gains on or capital appreciation of the assets of a client. Currently, Scout only manages accounts in its wrap fee programs and therefore does not manage accounts that are charged another type of fee, such as an hourly flat fee.

### **Methods of Analysis and Investment Strategy**

#### **Methods of Analysis**

Scout's methods of analysis include fundamental analysis, modern portfolio theory, quantitative analysis and mean-variance optimization.

**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 assets.

**Quantitative analysis** deals with measurable factors as distinguished from qualitative considerations such as the character of management or the state of employee morale, such as the value of assets, the cost of capital, historical projections of sales, and so on.

**Mean-variance optimization:** The expected return of the portfolio is a weighted average of the expected returns of the individual asset classes, with the weights given by the portfolio allocations,. The variance of the portfolio depends on the variances of the individual asset classes, but also on how they move with one another, collectively captured by the asset class covariance matrix.

Solving for different values of the target volatility gives us a collection of portfolios that: maximize expected return for each level of risk, have weights that sum to one (i.e. a portfolio that is fully invested and does not use leverage), and satisfy the lower- and upper-bound constraints on the weights. These constraints ensure that resulting portfolios are long-only (i.e. weights are positive) and are not overly concentrated in a small number of asset classes. Clients are recommended a portfolio based on the results of a risk questionnaire, which evaluates their ability and willingness to take risk.

## **Investment Strategies**

Scout uses and recommends long term investing but may allow clients to make short-term trades in specific thematic areas.

**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.**

## **Other Risk of Loss**

### ***Market Risk***

Economic, political, and issuer-specific events will cause the value of securities, and any underlying funds that own them, to rise or fall. The value of an investment will fluctuate, and consequently, there is the risk that a client may lose money.

### ***Correlation Risk***

There is the risk that correlations between individual securities may increase, resulting in a decrease in the risk reduction benefits of diversification. In particular, there is a tendency for correlations of different types of risky assets such as stocks to increase during periods of financial stress. As such, portfolio losses can be more severe than would otherwise be the case if correlations had remained at lower levels.

### ***Equity Risk***

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.

### ***ETF Risks***

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

Clients should be aware that to the extent they invest in ETF securities they will pay two levels of advisory compensation – subscription fees that we charge plus any management fees charged by the issuer of the ETF.

An ETF typically includes embedded expenses that may reduce the fund's net asset value, and therefore directly affect the fund's performance and indirectly affects a Client's portfolio performance or an index benchmark comparison. Expenses of the fund may include ETF management fees, custodian fees, brokerage commissions, and legal and accounting fees. ETF expenses may change from time to time at the sole discretion of the ETF issuer. ETF tracking error and expenses may vary.

### ***Fixed Income Risk***

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. Risks of investing in foreign fixed income securities also include the general risk of non-U.S. investing described below.

### ***Software Risk***

Scout uses software to deliver our services and we have implemented procedures for designing, developing, and testing this software before putting it into production. We also periodically monitor

the behaviors of such software; however, it is possible that such software may not always perform exactly as intended or as disclosed on our website, the App, or other disclosure documents that Scout provides to our prospective and current clients. Nevertheless, Scout will continuously strive to monitor, detect, and correct any software that does not perform as expected or disclosed.

### ***Foreign Securities and Currency Risk***

Some of the recommended ETFs may invest in foreign securities. The prices of foreign securities and the ETFs that invest in them may decline or fluctuate because of (a) economic or political actions of foreign governments, and/or (b) less regulated or liquid securities markets. ETFs that hold foreign securities may also be exposed to foreign currency risk (the risk that the currencies in which these securities are denominated decline in value against the U.S. dollar).

### ***Cybersecurity Risk***

Scout, as well as our service providers, are subject to risks associated with a breach in cybersecurity. Cybersecurity is a generic term used to describe the technology, processes and practices designed to protect networks, systems, computers, programs, and data from cyber-attacks and hacking by other computer users, and to avoid the resulting damage and disruption of hardware and software system, loss or corruption of data, and/or misappropriation of confidential information. In general, cyber-attacks are deliberate, but unintentional events may have similar effects. Cyber-attacks may cause losses to Clients by interfering with the processing of transactions or sabotaging trading. While we and our affiliates have established business continuity plans, incident response plans, and systems designed to prevent cyber-attacks, there are inherent limitations in such plans and systems, including the possibility that certain risks have not been identified. Similar types of cybersecurity risks also are present for issuers of equities in which clients invest, which could result in material adverse consequences for such issuers and may cause a client's investment in such equities to lose value.

### ***Technology Risk***

Scout depends heavily on information technology, telecommunications, and other operational systems. These systems may fail to operate properly or become disabled because of events or circumstances beyond our control. In this event, it may be possible that access to systems will be limited.

### ***Business, Terrorism, and Catastrophe Risk***

Clients will be subject to the risk of loss arising from exposure that may incur, indirectly, due to the occurrence of various events, including hurricanes, earthquakes, and other natural disasters, terrorism, and other catastrophic events such as a pandemic. These catastrophic risks of loss can be substantial and could have a material adverse effect on our business and our services to clients.

**Voting Client Securities**

Scout 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 7: Client Information Provided to Portfolio Managers**

Scout provides investment recommendations to clients through the App and obtains the necessary financial data from the client to assist in setting an appropriate investment objective for the account. Scout obtains this information, which may include your full name, physical residence address, date of birth, social security number, and occupation, as part of the account opening process. In addition, we also collect profile information which includes but is not limited to risk tolerance, investment time horizon, and certain financial information in order to create an appropriate risk profile for each client account.

Because the role of any third party Investment Manager we engage is generally limited to providing investment models to Scout, and the Investment Manager does not provide individualized discretionary advisory services to Scout clients, Scout generally does not communicate specific client information to any third party Investment Manager.

Clients should understand that the investment objective selected for their account is an overall objective for the entire account and may be inconsistent with a particular holding and the account's performance at any given time. Clients also should be aware that achievement of the stated investment objective is a long-term goal for the account. Scout may, from time to time, ask clients to confirm the continued accuracy of the information as part of the account opening process and you are encouraged to contact us if such information becomes inaccurate at any time.

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

Scout does not restrict clients from contacting us and we can be reached using the information listed on the Cover Page of this Brochure. It is not anticipated that clients will have the opportunity to consult directly with any third party Investment Managers whose recommendations may be implemented by Scout.

## **Item 9: Additional Information**

### **Disciplinary Information**

Scout is required to disclose all material facts regarding any legal or disciplinary events that would be material to your evaluation of our advisory business or the integrity of our management. Scout and our management personnel have no reportable disciplinary events to disclose.

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

Neither Scout nor any of our management is:

- registered, or has an application pending to register, as a broker-dealer or a registered representative of a broker-dealer
- registered, or has an application pending to register, as a futures commission merchant, commodity pool operator, a commodity-trading adviser, or an associated person of the foregoing entities
- related to a broker-dealer, municipal securities dealer, or government securities broker or dealer
- related to an investment company or other pooled investment vehicle (including a mutual fund, closed-end investment company, unit investment trust, private investment company, hedge fund, or offshore fund)
- other investment adviser or financial planner
- banking or thrift institution
- accounting firm
- law firm
- insurance company or agency
- pension consultant
- real estate broker or dealer
- sponsor or syndicator of a limited partnership

When Scout has a subadvisory relationship with another investment adviser, this practice does not pose a conflict of interest. Scout does not have a direct business relationship with our third party Investment Managers, and we do not receive any direct or indirect compensation from those third parties.

### **Code of Ethics, Participation or Interest in Client Transactions and Personal Trading**

Scout has adopted a written code of ethics (the “Code of Ethics”), pursuant to Rule 204A-1 under the Investment Advisers Act of 1940. The Code of Ethics is applicable to all employees and, among other things, requires us and our employees to act in our clients’ best interests and abide by all applicable regulations.



The Code of Ethics also describes rules surrounding personal securities transactions. Under Rule 204A-1, certain provisions of the Code of Ethics apply only to Scout employees who are considered “access persons”. These access persons are required to report certain personal securities transactions and holdings. Scout’s restrictions on personal securities trading apply to access persons as well as their family members that live in the same household. The Code of Ethics also requires employees to follow policies related to business-related gifts and entertainment, and outside business activities.

Each person associated with Scout has been given a copy of the Code of Ethics and is required to submit an acknowledgement attesting to their understanding of the Code and acceptance of its terms. All Supervised Persons under the Code are also responsible for reporting any violations of the Code to the CCO and the CCO has the authority to determine the level of any disciplinary action that may be taken. Scout’s Code of Ethics is available free upon request to any client or prospective client.

From time to time, representatives of Scout may buy or sell securities for themselves that they also recommend to clients. This may provide an opportunity for representatives of Scout 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. Scout 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.

Representatives of Scout may also, from time to time, buy or sell securities for themselves at or around the same time as clients. This may provide an opportunity for representatives of Scout 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, Scout will never engage in trading that operates to the client’s disadvantage if representatives of Scout buy or sell securities at or around the same time as clients.

## **Review of Accounts**

Scout monitors a sample of client accounts on a periodic basis in order to confirm that Scout’s App is functioning properly and that our App is providing advice in line with the profile information we collect from our clients. Every account is not individually reviewed by Scout on an ongoing basis, save for automated allocation revisions. Clients are encouraged to update their profile with any change in their objectives, risk tolerance, or other pertinent information, as that information factors into the portfolio’s composition. Scout’s recommended securities are actively monitored and both the investments and the allocations within Scout’s automated portfolio management system may change based on factors such as market, economic, or political events.

Each client will receive account statements from the custodian via the App and clients are able to monitor account activity in real time through the App.

## **Client Referrals and Other Compensation**

Scout does not receive any economic benefit, directly or indirectly, from any third party for advice rendered to Scout clients.

Scout may enter into promoter agreements pursuant to which we would compensate third parties (“promoters”) for client referrals that result in the provision of investment advisory services by us. We will disclose these promoter arrangements to affected clients as required, and any promoter agreements will comply with rules set forth under the Investment Advisers Act of 1940 and any other applicable requirements or regulations.

Payment may also be made to certain clients if the client’s social media posts reference Scout, regardless of whether any new clients are obtained from these client posts. Moreover, Scout will pay fees to third parties solely for driving prospective clients to Scout from other websites.

Payments for the referrals described above are expected to remain under a de minimis amount and the cost of any such payment will be borne entirely by Scout. Clients do not incur any additional fees or costs for being referred to Scout by a promoter.

### **Financial Information**

Scout neither requires nor solicits prepayment of more than \$1,200 in fees per client, six months or more in advance. Therefore, we are not required to include a balance sheet with this Brochure.

Scout has never filed for bankruptcy and is not aware of any financial condition that is expected to affect its ability to provide investment advisory services to current or prospective clients.