

**Item 1 Cover Page**

**HYVE INVEST INC.**

430 Park Avenue  
New York, NY 10022  
(845) 793-8561  
www.letshyve.com

March 21, 2024

**This brochure provides information about the qualifications and business practices of Hyve Invest Inc. If you have any questions about the contents of this brochure, please contact us at the phone number listed above. 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. Registration (e.g. “registered investment advisor”) does not imply a certain level of skill or training.**

**Additional information about Hyve Invest Inc. is also available on the SEC’s website at [www.adviserinfo.sec.gov](http://www.adviserinfo.sec.gov).**

## **Item 2 Material Changes**

Since the most recent annual filing of this brochure on February 24, 2023 the following changes of note have occurred:

1. Under Item 4 – Advisory Business, we have added Financial Planning as a service offered.

### Item 3 Table of Contents

#### Brochure

|   |           |
|---|-----------|
| <u>Item 3 Table of Contents.....</u>  | <u>3</u>  |
| <u>ITEM 4 ADVISORY BUSINESS.....</u>  | <u>4</u>  |
| <u>ITEM 5 FEES AND COMPENSATION.....</u>  | <u>5</u>  |
| <u>ITEM 6 PERFORMANCE-BASED FEES AND SIDE-BY-SIDE MANAGEMENT .....</u>  | <u>6</u>  |
| <u>ITEM 7 TYPES OF CLIENTS .....</u>  | <u>7</u>  |
| <u>ITEM 8 METHODS OF ANALYSIS, INVESTMENT STRATEGIES AND RISK OF LOSS .....</u>                               | <u>7</u>  |
| <u>ITEM 9 DISCIPLINARY INFORMATION .....</u>  | <u>10</u> |
| <u>ITEM 10 OTHER FINANCIAL INDUSTRY ACTIVITIES AND AFFILIATIONS .....</u>                                     | <u>10</u> |
| <u>ITEM 11 CODE OF ETHICS, PARTICIPATION OR INTEREST IN CLIENT TRANSACTIONS<br/>AND PERSONAL TRADING.....</u> | <u>10</u> |
| <u>ITEM 12 BROKERAGE PRACTICES .....</u>  | <u>11</u> |
| <u>ITEM 13 REVIEW OF ACCOUNTS.....</u>  | <u>14</u> |
| <u>ITEM 14 CLIENT REFERRALS AND OTHER COMPENSATION .....</u>  | <u>14</u> |
| <u>ITEM 15 CUSTODY .....</u>  | <u>14</u> |
| <u>ITEM 16 INVESTMENT DISCRETION.....</u>   | <u>14</u> |
| <u>ITEM 17 VOTING CLIENT SECURITIES .....</u>   | <u>15</u> |
| <u>ITEM 18 FINANCIAL INFORMATION.....</u>   | <u>15</u> |

## **ITEM 4 ADVISORY BUSINESS**

### **A. Firm Description**

Hyve Invest Inc. (“Hyve” or “Advisor”) is an internet-based investment adviser registered with the SEC. Hyve was founded in June 2022. Hyve Invest Inc. is a wholly owned subsidiary of Hyve Inc., a privately held company headquartered in New York, New York. The Chief Compliance Officer is Jonathan Dane.

### **B. Types of Advisory Services**

#### **Investment Advisory Services**

Hyve offers an automated investment advisory service that makes it possible for anyone who enters into a Hyve Advisory Client Agreement (the “Advisory Client Agreement”), to access state-of-the-art investment advisory and portfolio management services. As provided in the Advisory Client Agreement, advisory clients (“Clients”) grant Hyve discretionary authority to manage Client assets in accounts (“Client Accounts” or “Accounts”) opened and maintained at an unaffiliated broker/dealer or bank. Hyve’s investment objective is to seek maximum long-term, risk-adjusted, after-tax, net of fee returns

Each individual Client account has the ability to choose between portfolios we recommend. Our recommended portfolios are designed to maximize returns for Clients’ individual risk tolerances and other preferences. Hyve creates an investment plan and manages a Client’s portfolio by identifying: 1) optimal asset classes in which to invest, 2) efficient exchange traded funds (“ETFs”) or other investments to represent each of those asset classes, and 3) an ideal mix of asset classes based on the Client’s specific risk tolerance.

Based on the information that each Client enters on Hyve’s mobile or web-based application during the account opening process, Hyve will utilize its proprietary software algorithm to match each Client with the initial portfolio best suited to meet the individual Client’s investment goals. Each Client, upon being onboarded into Hyve, is asked a set of questions. These questions may include behavioral questions such as how a Client views risk to assess their tolerance for risk. The algorithm then balances that analysis with the Client’s expectations for portfolio growth. Combined with additional Client feedback on when the Client expects to reach retirement age, Hyve algorithm then categorizes the Client into an initial portfolio that is suitable for their individual investment time frame.

Hyve manages Client Accounts on a discretionary basis. This means that Hyve is authorized to trade our Clients’ ETFs or other investments to maintain the Client’s target investment allocation, without further approval from the Clients, such as the determination of securities to be purchased or sold without prior permission from the Clients for each transaction. Hyve utilizes software to conduct this trading to invest Client deposits, fund Client withdrawals, perform rebalancing to maintain target portfolio allocations, and execute tax-loss harvesting strategies. Any and all trades are made in the best interest of the Clients as part of our fiduciary duty. However, risk is inherent to any investing strategy and model. Therefore, Hyve does not guarantee any results or future returns.

#### **Financial Planning**

In addition to investment advisory and portfolio management services, Hyve also provides certain software-based financial planning tools and services (the “Financial Planning Service”) to its Clients. The Financial Planning Service is a product offered by Hyve and is made available to Hyve Clients. The Financial Planning Service allows Clients to explore potential future financial scenarios, including change in employment status and income, and provide recommendations for tax & retirement planning.

Financial planning involves an evaluation of a Client's current and future financial state by using currently known variables to predict future cash flows, asset values, and withdrawal plans. The key defining aspect of financial planning is that through the financial planning process, all questions, information, and analysis will be considered as they affect and are affected by the entire financial and life situation of the Client. Clients will receive a written or an electronic report, providing the Client with a detailed financial plan designed to achieve his or her stated financial goals and objectives.

Clients are under no obligation to act on our Financial Planning recommendations, and Hyve does not represent that the Financial Planning service is meant to replace a comprehensive evaluation of a Client's entire financial plan considering all the Client's circumstances. Should a Client choose to implement any recommendation made by the Financial Planning Service, the Client should consult with their tax advisor regarding the Client's personal circumstances. Implementation of a financial plan recommendation is entirely at the Client's discretion. While the data provided by clients used in the financial models of the Financial Planning Service is believed to be reliable, Hyve cannot ensure the accuracy or completeness of data provided by clients.

### **C. Services Tailored to Clients' Needs**

We offer the same suite of services to all of our Clients. However, specific Client financial plans and their implementation are dependent upon each Client's individual financial situation (income, tax levels, and risk tolerance levels).

Hyve tailors its software-based investment advisory service to the individual needs of each of its Clients, in accordance with the portfolio allocation chosen by Clients, and subject to certain account limitations that prospective investors should consider, as described further below and in Item 7. Hyve utilizes the information provided by each Client regarding the Client's current financial situation, goals, and risk tolerances to determine a Client's risk tolerance.

Hyve asks each prospective Client a series of questions to evaluate both the individual's objective capacity to take risk and subjective willingness to take risk. We ask subjective risk questions to determine both the level of risk an individual is willing to take and the consistency among the answers or example, if an individual is willing to take a lot of risk in one case and very little in another, then the individual is deemed inconsistent and is therefore assigned a lower risk tolerance score than the simple weighted average of their answers.

### **D. Wrap Fee Program**

Hyve does not participate in a wrap fee program.

### **E. Assets Under Management**

As of March 12, 2024, hyve has \$7,299 of assets under management.

## **ITEM 5 FEES AND COMPENSATION**

### **A. Advisory Fees for Individually Managed Accounts**

Hyve currently does not charge an investment advisory fee or subscription fee for the use of its investment advisory services.

Hyve reserves the right, in its sole discretion, to negotiate, reduce or waive the advisory fee or subscription fee for certain Client Accounts for any period of time determined solely by Hyve. In addition, Hyve may reduce or waive its fees for the Accounts of some Clients without notice to, or fee adjustment for, other Clients. All fees paid to Advisor for investment advisory and financial planning services are separate and distinct from the expenses charged by third-party managers and Investment Companies to their shareholder. These fees will generally include third-party management fees, an Investment Company management fee, other fund expenses, and in some situations a possible distribution fee.

Advisor will provide investment advisory services, financial planning and portfolio management services but will not provide custodial or other administrative services. At no time will Advisor accept or maintain custody of a client's funds or securities except for authorized fee deduction. The Client may contact the Custodian directly for disbursements, or account record changes, and may also do so in writing to the custodian. Advisor may act at the client's convenience to facilitate such written communications to the Custodian, provided that such action is not construed to be custody of client assets.

Client is responsible for all custodial and securities execution fees charged by the custodian and executing broker-dealer. Fees paid to Advisor are separate and distinct from the custodian and execution fees.

Clients may request to terminate their advisory contract with Advisor, in whole or in part, by providing advance written notice. Upon termination, any fees paid in advance will be prorated to the date of termination and any excess will be refunded to client through the Custodian. Client's advisory agreement with the Advisor is non-transferable without Client's written approval.

#### **Right of Cancellation**

In addition to the right to terminate an agreement pursuant to its terms, a client may cancel an agreement with Adviser within five (5) business days of first receiving a copy of this disclosure brochure and supplement without penalty or fee.

#### **C. Third Party Fees**

In addition to the advisory fees, Clients may also pay other fees or expenses to third parties. For example, custodians or broker/dealers may charge transaction fees on purchases or sales of securities. The issuers of certain investments we purchase for Clients (such as ETFs, investment trusts, or other investments) may charge Clients separate product fees. Hyve does not charge these product fees to Clients, nor does it benefit directly or indirectly from any such fees.

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

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

Hyve does not charge performance-based fees therefore this question is not applicable.

## ITEM 7 TYPES OF CLIENTS

Hyve is available to individuals of all income levels, including high-net worth individuals. Hyve does not have any minimum amount required to open and maintain an account with Hyve. Clients execute an Advisory Agreement with Hyve and a Brokerage Agreement with Alpaca Securities.

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

### **Methods of Analysis, Investment Strategies**

Hyve utilizes a comprehensive investment management process and strategy that involves incorporating a Client's goals, objectives and risk tolerances into an investment portfolio that may include individual stocks, thirdparty managers, bonds, ETFs, and mutual funds.

Generally Hyve will recommend to each client an allocation to a portfolio comprised of multiple ETFs designed to provide a tradeoff between risk and long-term, after-tax, net-of-fee return through a diversified set of global asset classes.

Hyve's general approach to investment portfolio construction is grounded in concepts of Modern Portfolio Theory ("MPT") and Value at Risk. MPT attempts to maximize a portfolio's expected return for a given amount of portfolio risk, or equivalently minimize risk for a given level of expected return, by selecting the proportions of various asset classes rather than selecting individual securities. Historically, rigorous MPT-based financial advice has been available primarily through certain high-end financial advisors.

Hyve's investment philosophy is anchored in the belief that diversifying risk is a key tenet of proper portfolio construction and design, and is required in order to achieve consistent risk-adjusted returns. Therefore, risk must be fully understood and diversified where appropriate across asset class, style, sector, and industry. Hyve's strategic asset allocation process utilizes historical and forward-looking measures of risk, return, and correlation for various asset classes. These inputs and assumptions are then analyzed using a combination of tools to develop an ideal mix of asset allocations and asset styles that optimize expected return for a given level of risk. A Client's actual investment results will vary, sometimes substantially, from the projections generated from our asset allocation tools and models, and a Client could lose all or a portion of their investment capital.

### **RISKS**

**General Risks.** Investing in securities always involves risk of loss that you should be prepared to bear. We do not represent or guarantee that our services or methods of analysis can or will predict future results, successfully identify market tops or bottoms, or insulate clients from losses due to market corrections or declines. We cannot offer any guarantees or promises that your financial goals and objectives can or will be met. Past performance is in no way an indication of future performance. We also cannot assure that third parties will satisfy their obligations in a timely manner or perform as expected or marketed.

**General Market Risk.** Investment returns will fluctuate based upon changes in the value of the portfolio securities. Certain securities held may be worth less than the price originally paid for them, or less than they were worth at an earlier time.

**Common Stocks.** Investments in common stocks, both directly and indirectly through investment in shares of ETFs, may fluctuate in value in response to many factors, including, but not limited to, the activities of the individual companies, general market and economic conditions, interest rates, and specific industry

changes. Such price fluctuations subject certain strategies to potential losses. During temporary or extended bear markets, the value of common stocks will decline, which could also result in losses for each strategy.

**Portfolio Turnover Risk.** High rates of portfolio turnover could lower performance of an investment strategy due to increased costs and may result in the realization of capital gains. If an investment strategy realizes capital gains when it sells its portfolio investments, it will increase taxable distributions to you. High rates of portfolio turnover in a given year would likely result in short-term capital gains and under current tax law you would be taxed on short-term capital gains at ordinary income tax rates, if held in a taxable account.

**Non-Diversified Strategy Risk.** Some investment strategies may be non-diversified (e.g., investing a greater percentage of portfolio assets in a particular issuer and owning fewer securities than a diversified strategy). Accordingly, each such strategy is subject to the risk that a large loss in an individual issuer will cause a greater loss than it would if the strategy held a larger number of securities or smaller positions sizes.

**Model Risk.** Financial and economic data series are subject to regime shifts, meaning past information may lack value under future market conditions. Models are based upon assumptions that may prove invalid or incorrect under many market environments. We may use certain model outputs to help identify market opportunities and/or to make certain asset allocation decisions. There is no guarantee any model will work under all market conditions. For this reason, we include model related results as part of our investment decision process but we often weigh professional judgment more heavily in making trades or asset allocations.

**ETF Risks,** including Net Asset Valuations and Tracking Error. An ETF's performance may not exactly match the performance of the index or market benchmark that the ETF is designed to track because 1) the ETF will incur expenses and transaction costs not incurred by any applicable index or market benchmark; 2) certain securities comprising the index or market benchmark tracked by the ETF may, from time to time, temporarily be unavailable; and 3) supply and demand in the market for either the ETF and/or for the securities held by the ETF may cause the ETF shares to trade at a premium or discount to the actual net asset value of the securities owned by the ETF. Certain ETF strategies may from time to time include the purchase of fixed income, commodities, foreign securities, American Depositary Receipts, or other securities for which expenses and commission rates could be higher than normally charged for exchange-traded equity securities, and for which market quotations or valuation may be limited or inaccurate. Clients should be aware that to the extent they invest in ETF securities they will pay two levels of advisory compensation – advisory fees charged by Adviser plus any advisory fees charged by the issuer of the ETF. This scenario may cause a higher advisory cost (and potentially lower investment returns) than if a Client purchased the ETF directly. An ETF typically includes embedded expenses that may reduce the ETF's net asset value, and therefore directly affect the ETF's performance and indirectly affect a Client's portfolio performance or an index benchmark comparison. Expenses of the ETF may include investment advisor 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.

**Inflation, Currency, and Interest Rate Risks.** Security prices and portfolio returns will likely vary in response to changes in inflation and interest rates. Inflation causes the value of future dollars to be worth less and may reduce the purchasing power of an investor's future interest payments and principal. Inflation also generally leads to higher interest rates, which in turn may cause the value of many types of fixed income investments to decline. In addition, the relative value of the U.S. dollar-denominated assets primarily managed by Adviser may be affected by the risk that currency devaluations affect Client purchasing power.

**Liquidity Risk.** Liquidity is the ability to readily convert an investment into cash to prevent a loss, realize an anticipated profit, or otherwise transfer funds out of the particular investment. Generally, investments are more liquid if the investment has an established market of purchasers and sellers, such as a stock or bond listed on a national securities exchange. Conversely, investments that do not have an established market of purchasers and sellers may be considered illiquid. Your investment in illiquid investments may be for an indefinite time, because of the lack of purchasers willing to convert your investment to cash or other assets.

**Legislative and Tax Risk.** Performance may directly or indirectly be affected by government legislation or regulation, which may include, but is not limited to: changes in investment advisor or securities trading regulation; change in the U.S. government's guarantee of ultimate payment of principal and interest on certain government securities; and changes in the tax code that could affect interest income, income characterization and/or tax reporting obligations, particularly for options, swaps, master limited partnerships, Real Estate Investment Trust, Exchange Traded Products/Funds/ Securities. We do not engage in tax planning, and in certain circumstances a Client may incur taxable income on their investments without a cash distribution to pay the tax due. Clients and their personal tax advisors are responsible for how the transactions in their account are reported to the IRS or any other taxing authority.

**Foreign Investing and Emerging Markets Risk.** Foreign investing involves risks not typically associated with U.S. investments, and the risks maybe exacerbated further in emerging market countries. These risks may include, among others, adverse fluctuations in foreign currency values, as well as adverse political, social and economic developments affecting one or more foreign countries. In addition, foreign investing may involve less publicly available information and more volatile or less liquid securities markets, particularly in markets that trade a small number of securities, have unstable governments, or involve limited industry. Investments in foreign countries could be affected by factors not present in the U.S., such as restrictions on receiving the investment proceeds from a foreign country, foreign tax laws or tax withholding requirements, unique trade clearance or settlement procedures, and potential difficulties in enforcing contractual obligations or other legal rules that jeopardize shareholder protection. Foreign accounting may be less transparent than U.S. accounting practices and foreign regulation may be inadequate or irregular.

**Information Security Risk.** We may be susceptible to risks to the confidentiality and security of its operations and proprietary and customer information. Information risks, including theft or corruption of electronically stored data, denial of service attacks on our website or websites of our third-party service providers, and the unauthorized release of confidential information are a few of the more common risks faced by us and other investment advisers. Data security breaches of our electronic data infrastructure could have the effect of disrupting our operations and compromising our customers' confidential and personally identifiable information. Such breaches could result in an inability of us to conduct business, potential losses, including identity theft and theft of investment funds from customers, and other adverse consequences to customers. We have taken and will continue to take steps to detect and limit the risks associated with these threats.

**Tax Risks.** Tax laws and regulations applicable to an account with Adviser may be subject to change and unanticipated tax liabilities may be incurred by an investor as a result of such changes. In addition, customers may experience adverse tax consequences from the early assignment of options purchased for a customer's account. Customers should consult their out tax advisers and counsel to determine the potential tax-related consequences of investing.

**Advisory Risk.** There is no guarantee that our judgment or investment decisions on behalf of particular any account will necessarily produce the intended results. Our judgment may prove to be incorrect, and an account might not achieve her investment objectives. In addition, it is possible that we may experience

computer equipment failure, loss of internet access, viruses, or other events that may impair access to accounts' custodians' software. Adviser and its representatives are not responsible to any account for losses unless caused by Adviser breaching our fiduciary duty.

**Software Risk.** Hyve delivers its investment advisory services entirely through software. Consequently, Hyve rigorously designs, develops and tests its software extensively before putting such software into production with actual Client Accounts and assets and periodically monitors the behaviors of such software after its deployment. Notwithstanding this rigorous design, development, testing and monitoring, it is possible that such software may not always perform exactly as intended or as disclosed on the Site, mobile app, blogs or other Hyve disclosure documents, especially in certain combinations of unusual circumstances. Hyve continuously strives to monitor, detect and correct any software that does not perform as expected or as disclosed.

**Volatility and Correlation Risk** – Hyve's security selection process is based in part on a careful evaluation of past price performance and volatility to evaluate future probabilities. It is possible that different or unrelated asset classes may exhibit similar price changes in similar directions which may adversely affect a Client's account and may become more acute in times of market upheaval or high volatility. Past performance is no guarantee of future results, and any historical returns, expected returns, or probability projections may not reflect actual future performance.

**Dependence on Key Employees.** An accounts success depends, in part, upon the ability of our key professionals to achieve the targeted investment goals. The loss of any of these key personnel could adversely impact the ability to achieve such investment goals and objectives of the account.

## **ITEM 9 DISCIPLINARY INFORMATION**

Clients should be aware that neither Hyve nor its management person has had any legal or disciplinary events, currently or in the past.

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

Hyve is not registered and does not have an application pending to register, as a broker dealer and its management persons are not registered as broker/dealer representative.

Hyve and its management persons are not registered and do not have application pending to register, as a futures commission merchant, commodity pool operator/advisor.

Hyve does not have any related parties. As a result, we do not have a relationship with any related parties.

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

### **A. Fiduciary Status.**

According to SEC law, an investment advisor is considered a fiduciary. As a fiduciary, it is an investment advisor's responsibility to provide fair and full disclosure of all material facts. In addition, an investment advisor has a duty of utmost good faith to act solely in the best interest of each of its clients. Hyve and its representatives have a fiduciary duty to all clients. Hyve and its representatives' fiduciary duty to clients is

considered the core underlying principle for Hyve' Code of Ethics and represents the expected basis for all representatives' dealings with clients. Hyve has the responsibility to ensure that the interests of clients are placed ahead of it or its representatives' own investment interest. All representatives will conduct business in an honest, ethical, and fair manner. All representatives will comply with all federal and state securities laws at all times. Full disclosure of all material facts and potential conflicts of interest will be provided to clients prior to services being conducted. All representatives have a responsibility to avoid circumstances that might negatively affect or appear to affect the representatives' duty of complete loyalty to their clients.

## **B. Personal Trading.**

Advisor and/or its investment advisory representatives may from time-to-time purchase or sell products or investments that they may recommend to clients. Advisor has adopted a Code of Ethics that sets forth the basic policies of ethical conduct for all managers, officers, and employees of the adviser.

In addition, the Code of Ethics governs personal trading by each employee of Advisor deemed to be an Access Person and is intended to ensure that securities transactions effected by Access Persons of Advisor are conducted in a manner that avoids any actual or potential conflict of interest between such persons and clients of the adviser or its affiliates.

Advisor collects and maintains records of securities holdings and securities transactions effected by Access Persons. These records are reviewed to identify and resolve potential conflicts of interest. Advisor's Code of Ethics is available upon request.

## **Trading Securities At/Around the Same Time as Client's Securities**

From time to time, our firm or its "related persons" may buy or sell securities for themselves at or around the same time as clients. This may provide an opportunity for representatives of Hyve 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, Hyve will never engage in trading that operates to the client's disadvantage if representatives of Hyve buy or sell securities at or around the same time as clients.

## **ITEM 12 BROKERAGE PRACTICES**

### **A. Broker-Dealer.**

Advisor has an established relationship with Alpaca Securities LLC, who we will recommend to clients for custody or client transactions. Advisor suggests this broker-dealer/custodian be used based on execution and custodial services offered, cost, quality of service and industry reputation. Advisor has also considered factors such as commission price, speed and quality of execution, client management tools, and convenience of access for both the Advisor and client in making its suggestion.

As an investment adviser, Advisor has a fiduciary duty to seek best execution for client transactions. While best execution is difficult to define and challenging to measure, there is some consensus that it does not solely mean the achievement of the best price on a given transaction. Rather, it appears to be a collective consideration of factors concerning the trade in question. Such factors include the security being traded, the price of the trade, the speed of the execution, apparent conditions in the market, and the specific needs of the client.

Advisor utilizes a custodian that it believes offers a competitive price based upon the custodian's market access, the transaction confirmation and account statement practices, the execution, clearance and settlement capabilities, and the reasonableness of the commission or its equivalent for the specific

transaction. Adviser will monitor the services offered by the custodian and make any changes, as appropriate.

### **1. Research and Other Soft Dollar Benefits.**

The Firm is independently owned and operated and not affiliated with any custodian or broker-dealer (“Vendors”). The Firm does not receive commission income from any Vendors. However, Vendors may provide the Firm with access to their institutional trading and custody services that are typically not available to their retail investors. These services include trade execution, custody, research, and access to mutual funds and other investments that are otherwise generally available only to institutional investors or would require a significantly higher minimum initial investment, reports on or other information about particular companies or industries, economic surveys and analyses, recommendations as to specific securities, financial and industry publications, portfolio evaluation services, financial database software and services, computerized news, pricing and statistical services, analytical software and services, quotation services, and other products or services that may enhance the Firm’s investment decision making. A Vendor may make available other products and services that benefit the Firm but may not benefit its Clients’ accounts. Some of these other products and services assist the Firm in managing and administering Clients’ accounts. These products and services may be provided without cost or at a discount to the Firm and include: hardware, software and other technology that provide access to Client account data (such as trade confirmations and account statements); trade execution (and allocation of aggregated trade orders for multiple client accounts); research, pricing information and other market data; facilitation of payment of the Firm’s fees from its Clients’ accounts; and assistance with back-office functions, recordkeeping and Client reporting. Many of these services generally may be used to service all or a substantial number of the Firm’s accounts, including accounts not serviced by a Vendor. The Vendors may also make available other services intended to help the Firm manage and further develop its business enterprise. These services may be provided without cost or at a discount to the Firm and include consulting, publications and conferences on practice management, information technology, regulatory compliance, marketing and assistance with event sponsorship. In addition, Vendors may make available, arrange and/or pay for these types of services rendered to the Firm by independent third-parties. They may discount or waive fees they would otherwise charge for some of these services or pay all or a part of the fees of a third-party providing these services to the Firm. Vendors may from time to time offer the Firm technology or marketing support payments that serve to reduce costs the Firm might otherwise incur. The recommendation that Clients maintain their assets in accounts serviced by a specific Vendor may be based in part on the fact that the Firm may benefit from the availability of some of the foregoing products and services and not solely on the nature, cost or quality of services provided by the Vendor, which creates a potential conflict of interest for the Firm. Although acceptance of such services, arrangements and payments could give the Firm an incentive to recommend that Clients use a particular Vendor, such services and amounts are generally not material to the Firm’s operations. Also, there is not a corresponding commitment by the Firm to any Vendor to invest any set amount or percentage of Client assets in any specific mutual funds, securities or other investment products as a result of the above arrangements.

### **2. Brokerage for Client Referrals.**

Hyve does not receive client referrals from any broker-dealer or third party as a result of the firm selecting or recommending that broker-dealer to clients.

### **3.a. Directed Brokerage.**

Adviser requires that all clients use Alpaca Securities LLC for execution and/or custodial services. The broker-dealer is recommended based on criteria such as, but not limited to, reasonableness of commissions charged to the client, tools and services made available to the client and the Advisor, and convenience of access to the account trading and reporting. The client will provide authority to Adviser

to direct all transactions through that broker-dealer in the investment advisory agreement. Please also see the response to Item 12A above.

## **B. Order Aggregation**

Advisor may combine orders into block trades when more than one account is participating in the trade. This blocking or bunching technique must be equitable and potentially advantageous for each such account (e.g. for the purposes of reducing brokerage commissions or obtaining a more favorable execution price).

Block trading is performed when it is consistent with the duty to seek best execution and is consistent with the terms of Adviser's investment advisory agreements. Equity trades are blocked based upon fairness to client, both in the participation of their account, and in the allocation of orders for the accounts of more than one client. Allocations of all orders are performed in a timely and efficient manner. All managed accounts participating in a block execution receive the same execution price (average share price) for the securities purchased or sold in a trading day.

Any portion of an order that remains unfilled at the end of a given day will be rewritten on the following day as a new order with a new daily average price to be determined at the end of the following day. Due to the low liquidity of certain securities, broker availability may be limited. Open orders are worked until they are completely filled, which may span the course of several days. If an order is filled in its entirety, securities purchased in the aggregated transaction will be allocated among the accounts participating in the trade in accordance with the allocation statement.

If an order is partially filled, the securities will be allocated pro rata based on the allocation statement. Adviser may allocate trades in a different manner than indicated on the allocation statement (non-pro rata) only if all managed accounts receive fair and equitable treatment.

### **ITEM 13 REVIEW OF ACCOUNTS**

Hyve regularly reviews and evaluates Client accounts for compliance with each Client's investment objectives, policies and restrictions. The Firm analyzes rates of return and allocation of assets to determine model strategy effectiveness. Such reviews are conducted by the Chief Compliance Officer of Hyve, or their designee, and shall occur at least once per calendar year.

Intermittent reviews may be triggered by substantial market fluctuation, economic or political events, or changes in the Client's financial status (such as retirement, termination of employment, relocation, inheritance, etc.). Clients are advised to notify Hyve promptly if there are any material changes in their financial situation, investment objectives, or in the event they wish to place restrictions on their Account.

Clients may receive confirmations of purchases and sales in their Accounts and will receive, at least quarterly, electronic statements containing account information such as account value, transactions, and other relevant information. Confirmations and statements are prepared and delivered by the qualified custodian. Hyve Account statements are provided to Clients via the website on a quarterly basis. We urge Clients to compare these reports against the account statements they receive from their custodian.

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

Hyve offers compensation to current clients, prospective clients, and other strategic partners who recommend Hyve and refer new clients. Current and prospective clients may refer new clients only through Hyve's referral program, through which compensation is limited to \$10 per referral that opens and funds an account. New clients are advised of such compensation prior to opening an account. Hyve supervises the referral activities of current customers, affiliate marketers (including "bloggers"), and other strategic partners. Clients are not charged any fee nor do they incur any additional costs for being referred to Hyve by a current client, affiliate marketer, or other strategic partner.

### **ITEM 15 CUSTODY**

All Clients' accounts are held in custody by unaffiliated broker/dealers or banks, but the Firm can access many Clients' accounts through its ability to debit investment advisory fees. For this reason, the Firm is considered to have limited custody of certain Client assets.

Account custodians send statements directly to the account owners on at least a quarterly basis. Clients should carefully review these statements and should compare these statements to any account information provided by the Firm. While Hyve reconciles trading information on a regular basis, a Client may experience differences in the information displayed on the Hyve website, app, or electronic communication as compared to the Account documentation due to pending transactions, dividends, corporate actions, cash movements or withdrawals, or other activity. Only the broker/dealer or banks trading confirmations and statements represent the official records of a Client's Account.

### **ITEM 16 INVESTMENT DISCRETION**

Advisor generally has discretion over the selection and amount of securities to be bought or sold in client accounts without obtaining prior consent or approval from the client. However, these purchases or sales may be subject to specified investment objectives, guidelines, or limitations previously set forth by the client and agreed to by Adviser in an investment policy statement.

Discretionary authority will only be authorized upon full disclosure to the client. The granting of such authority will be evidenced by the client's execution of an Investment Advisory Agreement containing all applicable limitations to such authority. All discretionary trades made by Adviser will be in accordance with each client's investment objectives and goals and consistent with the Investment Policy statement.

The Client must understand that gains and losses are realized by discretionary activity and that these are taxable events, and that the client has authorized such activity in granting discretion. While some sensitivity to taxation is possible with discretion, if the client requires control of the taxable events, a non-discretionary approach is needed and therefore recommended, and this would require that the client's investment contract indicate the account is non-discretionary.

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

We do not vote Client proxies. Therefore, Clients maintain exclusive responsibility for: (1) voting proxies, and (2) acting on corporate actions pertaining to the Client's investment assets. The Client shall instruct the Client's qualified custodian to forward to the Client copies of all proxies and shareholder communications relating to the Client's investment assets. If the Client would like our opinion on a particular proxy vote, they may contact us at the number listed on the cover of this brochure.

In most cases, you will receive proxy materials directly from the account custodian. However, in the event we were to receive any written or electronic proxy materials, we would forward them directly to you by mail, unless you have authorized our firm to contact you by electronic mail, in which case, we would forward you any electronic solicitation to vote proxies.

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

Hyve is not the qualified custodian for client funds or securities and does not require prepayment of fees of more than \$1,200 per client, six (6) months or more in advance.

Hyve does not have any financial impairment that would preclude the Firm from meeting contractual commitments to clients.

Hyve has not been the subject of a bankruptcy petition at any time during the last 10 years.