

INCEPTIONR LLC

Firm Brochure - Form ADV Part 2A

This brochure provides information about the qualifications and business practices of INCEPTIONR LLC. If you have any questions about the contents of this brochure, please contact us at (650) 799-2945 or by email at: info@inceptionr.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 INCEPTIONR LLC is also available on the SEC's website at www.adviserinfo.sec.gov. INCEPTIONR LLC's CRD number is: 310565.

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

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Item 2: Material Changes

INCEPTIONR LLC (INC) has made the following material changes since its previous ADV 2A update on March 28, 2023:

INC updated Item 14, Client Referrals and Other Compensation, to reflect its current solicitation practices.

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Item 4: Advisory Business

A. Description of the Advisory Firm

INCEPTIONR LLC (hereinafter “INC”) is a Limited Liability Company organized in the State of California. The firm was formed in April 2019, and the principal owner is Li Lu.

B. Types of Advisory Services

Portfolio Management Services

INC provides portfolio management to pooled investment vehicles, specifically acting as subadviser to private funds (the client).

INC will require discretionary authority from clients in order to select securities and execute transactions without permission from the client prior to each transaction. INC seeks to provide that investment decisions are made in accordance with the fiduciary duties owed to its accounts and without consideration of INC’s economic, investment or other financial interests. To meet its fiduciary obligations, INC attempts to avoid, among other things, investment or trading practices that systematically advantage or disadvantage certain client portfolios, and accordingly, INC’s 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 INC’s 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.

Services Limited to Specific Types of Investments

INC generally limits its investment advice to equities, although INC may use other securities as well to help diversify a portfolio when applicable.

C. Client Tailored Services and Client Imposed Restrictions

INC offers the same suite of services to all of its clients. Clients may not impose restrictions in investing in certain securities or types of securities in accordance with their values or beliefs.

D. Wrap Fee Programs

A wrap fee program is an investment program where the investor pays one stated fee that includes management fees, transaction costs, fund expenses, and other administrative fees. INC does not participate in any wrap fee programs.

E. Assets Under Management

INC has the following assets under management:

Discretionary Amounts:	Non-discretionary Amounts:	Date Calculated:
\$ 359,890,731	\$0	December 2023

Item 5: Fees and Compensation

A. Fee Schedule

Clients (pooled investment vehicles) will pay an annual fee of up to 2.00% of assets under management along with a performance fee based on capital appreciation of up to 20.00%. **However, all fees are negotiated with the specific fund client.** The final fee schedule will be memorialized in the advisory agreement.

With respect to any performance based fees, if the client's portfolio rises in value, the client will pay a performance-based fee on that increase in value, but if the portfolio drops in value, the client will not incur a new performance fee until the portfolio reaches the last highest value, adjusted for withdrawals and deposits, which is generally known as a "high water mark." The high water mark will be the highest value of the client's account on the last day of any previous quarter, after accounting for the client's deposits or withdrawals for each billing period.

B. Payment of Fees

Portfolio management fees, are withdrawn monthly in arrears, whereas performance-based fees are withdrawn either quarterly or annually (as agreed upon for the specific fund client).

C. 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 INC. Please see Item 12 of this brochure regarding broker-dealer/custodian.

D. Prepayment of Fees

INC collects its fees in arrears. It does not collect fees in advance.

E. Outside Compensation For the Sale of Securities to Clients

Neither INC 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-Based Fees and Side-By-Side Management

INC manages accounts that are billed on performance-based fees (a share of capital gains on or capital appreciation of the assets of a client). Clients 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. However, INC ensures that clients are not systematically advantaged or disadvantaged due to the presence or absence of performance-based fees. INC seeks best execution and upholds its fiduciary duty for all clients.

Item 7: Types of Clients

INC generally provides advisory services to pooled investment vehicles. There is no account minimum for any of INC's services.

Item 8: Methods of Analysis, Investment Strategies, & Risk of Loss

A. Methods of Analysis and Investment Strategies

Methods of Analysis

INC's primary method of analysis is quantitative analysis.

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.

Investment Strategies

INC uses short term trading, short sales and margin transactions.

Investing in securities involves a risk of loss that you, as a client, should be prepared to bear.

B. Material Risks Involved

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

INC's use of short sales and margin transactions generally holds greater risk, and clients should be aware that there is a material risk of loss using any of those strategies.

Margin transactions use leverage that is borrowed from a brokerage firm as collateral. When losses occur, the value of the margin account may fall below the brokerage firm's threshold thereby triggering a margin call. This may force the account holder to either allocate more funds to the account or sell assets on a shorter time frame than desired.

Short sales entail the possibility of infinite loss. An increase in the applicable securities' prices will result in a loss and, over time, the market has historically trended upward.

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.

Investing in securities involves a risk of loss that you, as a client, should be prepared to bear.

C. Risks of Specific Securities Utilized

INC's use of short sales and margin transactions generally holds greater risk of capital loss. 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.

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. Additionally, private funds often engage in leveraging and other speculative investment practices that may increase the risk of investment loss; can be highly illiquid; are not required to provide periodic pricing or valuation information to investors; may involve complex tax structures and delays in distributing important tax information; are not subject to the same regulatory requirements as mutual funds; and often charge high fees.

Crucially, investors in the private fund must consult the fund documents for more detailed disclosure of risks associated with investing in the fund.

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

A. Criminal or Civil Actions

There are no criminal or civil actions to report.

B. Administrative Proceedings

There are no administrative proceedings to report.

C. Self-regulatory Organization (SRO) Proceedings

There are no self-regulatory organization proceedings to report.

Item 10: Other Financial Industry Activities and Affiliations

A. Registration as a Broker/Dealer or Broker/Dealer Representative

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

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

Neither INC 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.

C. Registration Relationships Material to this Advisory Business

Neither INC nor its representatives have any material relationships to this advisory business that would present a possible conflict of interest.

D. Selection of Other Advisers

INC does not utilize nor select third-party investment advisers.

Item 11: Code of Ethics, Participation or Interest in Client Transactions and Personal Trading

A. Code of Ethics

INC 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. INC's Code of Ethics is available free upon request to any client or prospective client.

B. Recommendations Involving Material Financial Interests

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

C. Investing Personal Money in the Same Securities as Clients

INC will not recommend to clients securities in which the firm or its representatives also invest.

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

Please see Item 11.C above.

Item 12: Brokerage Practices

A. Factors Used to Select Custodians and/or Broker/Dealers

INC does not recommend brokers/custodians.

1. Research and Other Soft-Dollar Benefits

INC receives no research, product, or services other than execution from broker-dealers or custodians in connection with client securities transactions ("soft dollar benefits").

2. *Brokerage for Client Referrals*

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

3. *Clients Directing Which Broker/Dealer/Custodian to Use*

INC may permit clients to direct it to execute transactions through a specified broker-dealer. If a client directs brokerage, then the client will be required to acknowledge in writing that the client's direction with respect to the use of brokers supersedes any authority granted to INC to select brokers; this direction may result in higher commissions, which may result in a disparity between free and directed accounts; the client may be unable to participate in block trades (unless INC is able to engage in "step outs"); and trades for the client and other directed accounts may be executed after trades for free accounts, which may result in less favorable prices, particularly for illiquid securities or during volatile market conditions. Not all investment advisers allow their clients to direct brokerage.

B. Aggregating (Block) Trading for Multiple Client Accounts

If INC 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, INC 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. INC 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

A. Frequency and Nature of Periodic Reviews

All client accounts for INC's advisory services provided on an ongoing basis are reviewed at least monthly by Li Lu, Managing Member, with regard to clients' respective investment policies and risk tolerance levels. All accounts at INC are assigned to this reviewer.

B. Factors That Will Trigger a Non-Periodic Review

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).

C. Content and Frequency of Regular Reports Provided to Clients

Each client of INC's advisory services provided on an ongoing basis will receive a monthly report detailing the client's account, including assets held, asset value, and calculation of fees. This written report will come from the custodian.

Item 14: Client Referrals and Other Compensation

A. Economic Benefits

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

B. Compensation to Non - Advisory Personnel for Client Referrals

From time to time, INC, via written arrangement, retains third parties to act as solicitors for INC's investment management services. All compensation with respect to the foregoing will be fully disclosed to each client to the extent required by applicable law. INC will ensure each solicitor is properly registered in all appropriate jurisdictions. All such referral activities will be conducted in accordance with Rule 206(4)-3 under the Advisers Act, where applicable.

Specifically, INC compensates P&Q Bona LLC and Valravn Research Partners as solicitors for advisory referrals. Solicitors comply with the SEC Promoter rules and regulations. INC will provide data to solicitors that may match certain clients with the services of IA. Compensation will be paid by INC for referrals, and the fee for referrals will be properly disclosed to any potential clients of INC in accordance with the solicitor Agreement entered into between the parties.

If INC compensates a third-party for referrals, the third-party is to provide clear and prominent disclosure which outlines their relationship to INC, whether or not compensation is paid, and the incentives such compensation introduces. Additionally, INC will enter into written agreements with any third-party who receives compensation from INC for referral activity. INC will monitor the activities of these third-parties to ensure they are complying with the requirements outlined in Rule 206(4)-1(b)(1) and (b)(3). INC will ensure each solicitor is exempt, notice filed, or properly registered in all appropriate jurisdictions.

Item 15: Custody

INC has no ownership in any fund that it manages. However, when advisory fees are deducted directly from client accounts at client's custodian, INC will be deemed to have limited custody of client's assets and must have written authorization from the client to do so. Clients will receive all account statements and billing invoices that are required in each jurisdiction, and they should carefully review those statements for accuracy.

Item 16: Investment Discretion

INC provides discretionary investment advisory services to clients. The advisory contract established with each client sets forth the discretionary authority for trading. Where investment discretion has been granted, INC 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.

Item 17: Voting Client Securities (Proxy Voting)

INC 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

A. Balance Sheet

INC 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.

B. Financial Conditions

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

C. Bankruptcy Petitions

INC has not been the subject of a bankruptcy petition.