

Hedgeable, Inc.

Form ADV Part 2A Firm Brochure



This brochure provides information about the qualifications and business practices of Hedgeable, Inc. If you have any questions about the contents of this brochure, please contact us at (800) 785-7914 or by email at: support@hedgeable.com. The information in this brochure has not been approved or verified by the United States Securities and Exchange Commission (the “SEC”) or by any state securities authority.

Additional information about Hedgeable, Inc. is also available on the SEC’s website at www.adviserinfo.sec.gov. Hedgeable, Inc.’s CRD number is: 150300

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Registration does not imply a certain level of skill or training.

Version Date: 03/25/2018

Item 2: Material Changes

Since Hedgeable, Inc.'s last annual update filing on March 30, 2017 some material changes include the following:

- Chief Compliance Officer (CCO) changed from Matthew Kane to Grant Levine
- Address change from 915 Broadway Suite 710 New York, NY 10010 to 915 Broadway Suite 801 New York, NY 10010
- Item 4 has been updated to reflect Hedgeable's Regulatory Assets Under Management as of March 25, 2018.
- Item 4 and Item 5 updated to include the fees associated with trade costs executed outside the brokerage window.
- Item 7 updated to disclose Hedgeable, Inc. acted as general partner and investment manager in Hedgeable Venture Fund I, L.P prior to assigning the obligations of the fund.
- Item 8 updated to include information regarding the use of algorithms in investment decisions and the risks therein, as well as Hedgeable's crypto-currency offerings.
- Item 11 updated to include the prior solicitation of Hedgeable clients for Hedgeable Venture Fund I, L.P. and any conflicts of interests that may arise.
- Item 12 updated to include details regarding Hedgeable's trade order rotation policy.
- Item 14 updated to include policies regarding solicitation arrangements with other investment advisers.
- Item 15 updated to include Hedgeable's custody over client assets.
- Item 17 updated for Hedgeable's proxy voting policy.
- ADV 2B Item 4 updated to reflect Hedgeable CEO Michael Kane's Outside Business Activity.

Material changes relate to Hedgeable, Inc.'s policies, practices or conflicts of interests only.

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Item 4: Advisory Business

A. Description of Services

Hedgeable, Inc. (hereinafter “Hedgeable”) is a Registered Investment Advisor based in New York, NY. Hedgeable is organized as a C-Corp under the laws of the state of Delaware. We have been providing advisory services since 2009. Michael R. Kane and Matthew R. Kane are the primary common shareholders of Hedgeable. Currently, we offer the following investment advisory services:

- Wrap Fee Managed Account Programs
- Sub-Advisory Engagements
- Dual Contract Engagements

The following paragraphs describe our services and fees. Please refer to the description of each investment advisor service listed below:

Wrap Fee Managed Account Programs

Hedgeable Retail Program

For clients that come to us via the Hedgeable.com platform, we construct a highly diversified ETF and/or Stock portfolio customized to your profile. Depending on your profile, this portfolio could include U.S. Equity, International Equity, Emerging Equity, Commodities, Real Estate, Fixed Income, Digital Currency, Venture Capital, and Inflation protection. Any account held in this program is actively risk managed by us with our proprietary risk management technology. Investors can view live analytics on any account that is managed by logging into the Hedgeable.com platform. There is no minimum investment required.

The following accounts may be opened in the program:

- Individual-Taxable
- Traditional IRA, Roth IRA, IRA Rollover, SIMPLE IRA, SEP IRA
- Custodial (UGMA/UTMA)
- Revocable Trust
- Joint- Rights of Survivorship, Joint- Tenants in Common, Joint- Community Property, Joint- Tenants by Entirety
- Solo 401(k)
- Corporation
- General Partnership
- Limited Partnership (including Family Limited Partnership)
- Limited Liability Company
- Sole Proprietorship
- Investment Club
- Business Trust

- Unincorporated Organization

When creating an account application, clients can place restrictions on what securities they would not like to hold in their account. Through Hedgeable's interactive online platform, which is available 24/7/365, clients can change their investment profile.

Accounts are custodied at Folio Investments, Inc. and charged a wrap fee. This wrap fee includes all portfolio management costs, trading costs, custodial costs, and operational costs. There are no sales charges or commissions paid if trading is done within the brokerage window. Trades that are executed out of the brokerage window at Folio Investments Inc. will be charged an additional brokerage commission. All portfolio management services offered in the program are managed internally. Therefore, no portion of the annual fee is paid to outside portfolio managers. Expense ratios for ETFs that we may buy are not included in the wrap fee paid.

Please find a fee schedule below. Fees are charged based on the average total size of all accounts on a monthly basis. Fees are charged on the client level, meaning the sum of all accounts managed under a unique Social Security Number is considered when calculating fees. Fees are not negotiable. Hedgeable does not allow clients to prepay fees.

Annual Wrapped Fees

Total Client Assets	Fee
\$1 - \$49,999	0.75%
\$50,000 - \$99,999	0.70%
\$100,000 - \$149,999	0.65%
\$150,000 - \$199,999	0.60%
\$200,000 - \$249,999	0.55%
\$250,000 - \$499,999	0.50%
\$500,000 - \$749,999	0.45%
\$750,000 - \$999,999	0.40%
\$1,000,000 and up	0.30%

Sub-Advisory Engagements

Our firm may act as a sub-adviser to other registered investment advisers (the “Principal Adviser”) who wish to engage us to manage the holdings in their clients’ portfolios. Both our firm and the Principal Adviser may be granted dual trading authority. We may have discretionary authority over a portion of the assets to buy and sell securities based on the client’s individual needs. Typically, the Principal Adviser will have discretionary trading authority over the client’s account and will be responsible for supervising the management of the account. Accordingly, the Principal Adviser will monitor the account activity conducted on behalf of the account by our firm. Fees will be deducted from the account(s) held at an unaffiliated, qualified custodian. Our firm and the Principal Adviser will share in the fee collected. All agreed upon terms shall be provided in the sub-advisory agreement between our firm and the Principal Advisor.

Dual Contract Engagements

In a Dual Contract Account, the client executes two investment agreements. The first is a client agreement with the client’s preferred Designated Broker, or the Principal Advisor; the second (a “Hedgeable Investment Advisory Agreement”) is with Hedgeable as Investment Manager. Accounts are managed individually and tied to a model investment strategy, except for custom-designed portfolios for a particular client. The Investment Advisory Agreement contains a client suitability assessment, which ensures that our investment strategies are appropriate for a new client’s financial situation and investment objectives. Typically, the client will be charged a management/advisory fee by the client’s preferred Designated Broker/Primary Advisor, and by Hedgeable. All agreed upon terms shall be provided in the investment management agreement between our firm and the client.

B. Types of Investments

We may recommend Equities, Exchange Traded Funds (ETFs), Mutual Funds, Private Real Estate, High-Yield Private Loans, U.S. Government Securities; portfolios may also include Digital Currencies or Venture Capital. We generally will only use Equities or Exchange Traded Funds (ETFs). However, we may advise on any type of investment that we deem appropriate based on stated goals and objectives. We may also provide advice on any type of investment held at the inception of our advisory relationship.

C. Client Customization and Restrictions

In the Wrap Fee Programs and in Dual Contract Engagements, clients can place restrictions on what securities they would not like to hold in their account, when creating an account application. Through Hedgeable’s interactive online platform, which is available 24/7/365, clients can change their investment profile at any time.

D. Wrap Fee Participation

There is no difference in how Hedgeable manages wrap fee accounts, versus other accounts. In a wrapped account, clients pay a percentage of the total wrapped fee to the custodian and wrap fee broker, Folio Investments, Inc. The remainder is remitted to Hedgeable.

The wrap fee may cost the client more than if the services were purchased separately. Hedgeable chooses to offer wrap fee programs because of the convenience, transparency, and consistency to the client. If the services were purchased separately, the client would pay varying fees each month based on the number of trades executed. The wrap program fee includes up to 600 trades per account per month.

E. Assets Under Management

As of March 25, 2018, we managed \$81,532,802 in client assets, of which \$81,532,802 was managed on a discretionary basis, and \$0 managed on a non-discretionary basis.

Item 5: Fees and Compensation

A. Compensation for Advisory Services

Please refer to **Item 4A: Description of Services** in this brochure for information on our advisory fees and fee deduction arrangements for each service we offer.

B. Billing and Frequency of Billing

Hedgeable's fee is deducted directly from clients' assets monthly in arrears in all Wrap Fee Managed Accounts and in most Sub-Advisory and Dual Contract Engagements, unless there has been a pre-arranged written agreement between Hedgeable and the counter-party to bill clients for fees incurred or to deduct fees from clients' assets monthly on a schedule that is not monthly in arrears.

C. Additional Fees and Expenses

Hedgeable's Wrap Fee Managed Account Program fees are inclusive of all Hedgeable management fees and brokerage transaction fees.

Fees charged outside of the wrapped fee include any Bank Wire Fee, Check Writing Fee, Transfer Fees, SRO Fees, or Miscellaneous Fees charged by the custodian or broker/dealer (if applicable). All trades executed outside of the brokerage window will be charged a brokerage commission.

For a full list of all fees and their amounts, please see the custodian fee schedule here - <https://www.folioinvesting.com/folioinvesting/pricing/special-services-fees/>

Expense ratios charged by third-party ETF companies (only applicable for clients who allocate to ETFs) are not included in the wrap fee. Management fees and performance based carry charges by third party Venture Funds (only applicable for clients who allocate to the Hedgeable Venture Fund I, L.P.) are not included in the wrap fee.

Transaction fees charged by Coinbase in all Bitcoin wallets are not included in the Wrap Fee (please see the Coinbase site for an updated fee schedule - <https://support.coinbase.com/customer/portal/articles/2109597-buy-sell-bank-transfer-fees>).

No sales commissions or special compensation is received by our firm for the recommendation of any outside products. All fees paid to our firm for investment advisory services are separate and distinct from the fees and expenses charged by ETFs (described in each fund's prospectus) to their shareholders. These fees will generally include a management fee and other fund expenses. Any material conflicts of interest are disclosed in this disclosure brochure. If at any time, additional material conflicts of interest develop, we will provide written notification of the material conflicts of interest or an updated disclosure brochure.

Clients in Sub-Advisory and Dual Contract Engagements may pay fees and expenses charged by the Custodian for trade execution. This fee is not included in the Management Fee charged by Hedgeable and is disclosed separately from our Management Fee. Please see **Item 12: Brokerage Practices** of this brochure for more information about how we select Custodians and Broker/Dealers.

D. Pre-Payment of Fees

Hedgeable does not require nor solicit pre-payment of any Management Fees. All fees are paid based on service provided.

E. Compensation for the Sale of Securities

No persons at Hedgeable nor any supervised persons or representatives of Hedgeable accepts compensation or commissions for the sale of securities or other investment products, including asset-based sales charges or service fees from the sale of Mutual Funds.

Item 6: Performance Based Fees & Side by Side Management

Hedgeable 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.

Item 7: Types of Clients

We offer investment advisory services to Individuals, High-Net Worth Individuals, Institutions, Private Funds, Registered Investment Advisors, CFPs, & Wealth Managers.

Hedgeable Retail Program

There is a \$1 investment minimum. Hedgeable generally provides the program to the following Types of Clients:

- Individuals
- High-Net-Worth Individuals
- Small Business Owners
- Trusts, Corporations, or Partnerships

Sub-Advisory Engagements

The minimum investment to engage in a sub-advisory relationship is variable, but generally starts at \$1 Million across all accounts. Hedgeable generally provides the service to the following types of Clients:

- Independent Registered Investment Advisors (RIAs)
- Investment Companies (Mutual Fund, ETF)
- Wealth Managers
- Certified Financial Planners (CFPs)
- Wrap Fee Program Sponsors
- Consultants

Dual Contract Engagements

The minimum investment to engage in a dual contract is variable, but generally starts at \$1 Million across all accounts. Hedgeable generally provides the service to the following Types of Clients:

- Wirehouse Registered Representatives (IARs)
- Wealth Managers
- Certified Financial Planners (CFPs)
- Consultants
- Certified Public Accountants (CFPs)

Private Fund Management

Hedgeable, Inc. previously served as general partner and investment manager to the Hedgeable Venture Fund I, L.P. Hedgeable's interest and obligations under Hedgeable Venture Fund have since been assigned to an unaffiliated consulting firm.

Please note, any investment minimum listed above can be waived or changed by Hedgeable at any time at our sole discretion.

Item 8: Methods of Analysis and Risk of Loss

A. Our Methods of Analysis and Investment Strategies

All client accounts are managed by algorithms that are programmed and overseen by the Hedgeable investment team. These algorithms help us build, manage, and rebalance portfolios across client accounts using mathematical formulas and computer code. Algorithms employed include portfolio optimization functions to build portfolios, and dynamic asset allocation functions to rebalance portfolios. These algorithms take into account historical price data of securities and markets and use assumptions that historical patterns will be repeated in the future. There is a risk that these historical patterns will not be repeated and there are inherent limitations with these techniques that clients must be aware of, including loss of principal and taxes from capital gains. **Investing in securities involves a risk of loss that you, as a client, should be prepared to bear.**

All trading that is recommended by our algorithms is not automatically executed in client accounts and a member of the Hedgeable investment team confirms all trades recommended by our algorithms before executing them. Our algorithms are tested using backtests of the rules in the algorithms; however, there is a risk these algorithms will not perform as expected. Our algorithms are regularly reviewed and tested by both engineering and investment personnel for their efficacy. In some cases, the CIO of Hedgeable may override the decisions of these algorithms, for instance, in an extreme market event such as a market shock.

During the signup process clients may be asked for their time horizon, goals, account type, account size, and further questions in an attempt to gauge their personal level of risk. Hedgeable has built a decision tree algorithm that takes these inputs and recommends a strategic long-term investment portfolio based on them. This method of recommending portfolios has inherent limitations that the client must be aware of. The personal financial situation of the client is not taken into account, including debt outstanding, monthly income needs, and investments held outside Hedgeable. Thus, the recommended portfolio from Hedgeable's algorithms may not be suitable for all clients given their full financial picture.

Algorithmic portfolio construction can be broken down into a few key areas:

- **Core Investing** – For accounts with less than \$100,000, we use a core approach when constructing portfolios. This core portfolio typically consists of a diversified mix of ETFs across asset classes. Portfolios are created through a rigorous optimization process.
- **Core-Satellite Investing** – For accounts over \$100,000 we use a core-satellite approach when constructing portfolios. This means a core portfolio, typically consisting of a diversified mix of ETFs across asset classes, is used in 60%-90% of the account, and individual satellite securities, typically consisting of stocks or ETFs with a low correlation to the core portfolio, make up 10%-40% of the account. Portfolios are created through a rigorous optimization process.
- **Income Investing** – For clients that rely on income from investments, Hedgeable produces high-income portfolios that may contain fixed income ETFs, REITs (Real Estate Investment Trusts), MLPs (Master Limited Partnerships), and high-yield

exchange traded stocks. Portfolios are created through a rigorous optimization process.

- **Socially Responsible Investing** – Clients can choose to have their portfolio allocated to only companies and ETFs that Hedgeable has determined meet a socially responsible goal. Hedgeable invests in causes that include female leadership, LGBTQ equality, low carbon emissions, alternative energy, ESG, socially responsible fixed income, and water purification & conservation. Portfolios are created through a rigorous optimization process.
- **Bitcoin Investing** – Clients can choose to have a digital currency wallet opened with Coinbase. Hedgeable produces non-discretionary purchase and sale recommendations for the digital currency wallet. The amount held in the wallet is based on the client's risk level. The total holdings at any time can be expected to be 0.00%-2% of a client's total portfolio value.

In addition to the foregoing, clients have previously been permitted to allocate assets to the following:

- **Hedgeable Venture Fund I, L.P.** – Accredited clients have previously been permitted to allocate capital to the Hedgeable Venture Capital fund. This is a 0% management fee Limited Partnership fund that invests in funds (sometimes known as a “fund of funds”) that hold stock issued by privately held companies. Security selection is based on Hedgeable's core-satellite investing approach. 60%-90% of the fund is invested in core index venture fund positions, offered by crowdfunding platforms such as AngelList and OurCrowd, and 10%-40% is invested in satellite index fund positions on platforms such as AngelList, OurCrowd, Funder's Club, EquityZen, and CircleUp. Underlying fund holdings typically carry an annual fee, plus a fee as a percentage of the performance of the fund. Typical client holdings in Hedgeable's Venture Fund are expected to be 1%-5%. The Venture Fund is designed to mimic exposure to the venture capital market for clients, giving indirect ownership of 100+ companies. The majority of investments will be made in early stage oriented funds, with some exposure given to later stage funds.
- **Downside Protection** – Every Hedgeable account is overlaid with Hedgeable's proprietary downside protection technology system. This system looks at every security held in client accounts daily and determines if the security is too risky to hold. If so, part or all of the security is sold and placed either in FDIC insured cash or a low to mid duration U.S Fixed Income ETF. Because downside protection technology is reactive, it may not offer protection against abrupt market crashes.

B. Material Risks

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

Stock Market Risk

The value of the stocks and other securities owned in a Strategy will fluctuate depending on the performance of the companies that issued them, general market and economic conditions, and

investor confidence. The market also may fail to recognize the intrinsic worth of an investment or Hedgeable may misgauge that worth.

Strategy Turnover

The Strategies do not have any limitations regarding portfolio turnover and may have turnover rates in excess of 100%. A portfolio turnover rate of 100% is equivalent to a portfolio buying and selling all of the securities in its portfolio once during the course of a year. The turnover rates of the Strategies may be higher than other Strategies with the same investment objectives. Higher strategy turnover rates may increase the brokerage costs and may adversely affect its performance.

Company Risk

The stocks in the Strategies may not perform as expected. Common factors that can negatively affect a particular stock's price include poor earnings reports by the issuer, a restatement of earnings by the issuer, loss of major customers or management team members, major litigation against the issuer, or changes in government regulations affecting the issuer or its industry.

Opportunity & Strategy Risk

There is the risk of missing out on an investment opportunity because the assets necessary to take advantage of that opportunity are held in other investments. The business of investing in securities is highly competitive and the identification of attractive investment opportunities is difficult and involves a high degree of uncertainty. Further, Hedgeable may invest portfolios in emerging markets, real estate or commodities. Such investments may carry a greater degree of risk.

Industry and Sector Risk

Companies that have similar lines of business are grouped together in broad categories called industries. Certain industries are grouped together in broader categories called sectors. Hedgeable may overweight specific industries within various sectors in a Strategy. The fact that Hedgeable may overweight a Strategy's holdings in a specific industry or industries may cause a Strategy's performance to be more susceptible to the economic, business, or other developments that affect those industries or sectors. This overweighting means a Strategy may be less diverse and more volatile than its benchmark.

Cyclical Analysis

Economic/business cycles may not be predictable and may have many fluctuations between long term expansions and contractions. The lengths of economic cycles may be difficult to predict with accuracy and therefore the risk of cyclical analysis is the difficulty in predicting economic trends and consequently the changing value of securities that would be affected by

these changing trends.

Crypto-Currency Risk

Hedgeable may, based on Client preferences, purchase crypto-currencies or virtual currencies such as Bitcoin on Client's behalf separately from the Portfolio. These assets involve a high degree of risk and are not appropriate investments for all investors. Crypto-currencies have limited performance histories, can be extremely volatile, and are not subject to many of the regulatory oversights that other investable assets are subject to. These risks should be understood and only capital that Client can risk losing should be given to Hedgeable to manage. As of the date of this filing, Hedgeable recommends a 0.0%-0.0% allocation in Bitcoin due to the daily volatility of this asset class. This may change in the future.

Private Company Risk

Hedgeable may purchase securities in companies that have yet to float their stock on a public exchange. Not only do these investments have similar risks to small and mid-size companies, as listed above, but increased risks due to a potential lack of liquidity for the investment. There is no guarantee that principal invested in private companies will be returned to an investor, and the time period for any such return of capital can be 10 or more years. Clients should not invest any capital in private company offerings of Hedgeable without understanding these risks, and should not invest any capital that is needed at any time in the upcoming 10 years.

Use of Leverage

Leverage may be used in investment and trading, generally through purchasing inherently leveraged instruments such as exchange-traded funds. The prices of leveraged instruments can be highly volatile, and investments in leveraged instruments may, under certain circumstances, result in losses that exceed the amounts invested.

Institutional Risk

Securities and futures exchanges typically can suspend or limit trading in any instrument traded on the exchange resulting in substantial losses.

Key Man Risk

The success of some strategies depends to a great extent on the investment skills of the investment manager and its principals. Performance could be adversely affected if, because of illness or other factors, their services were not available for any significant period of time.

C. Recommendations of Particular Types of Securities

ETFs

Hedgeable will primarily use Exchange traded funds (“ETFs”) which are professionally managed pooled vehicles that invest in stocks, bonds, short-term money market instruments, other mutual funds, other securities or any combination thereof. ETFs’ managers trade fund investments in accordance with fund investment objectives. While ETFs generally provide diversification, risks can be significantly increased for funds concentrated in a particular sector of the market, or that primarily invest in small cap or speculative companies, use leverage (i.e. borrow money) to a significant degree, or concentrate in a particular type of security (i.e. equities) rather than balancing the fund with different types of securities. ETFs can be bought and sold throughout the day like stock and their price can fluctuate throughout the day. During times of extreme market volatility, ETF pricing may lag versus the actual underlying asset values. This lag usually resolves itself in a short period of time (usually less than one day), however, there is no guarantee this relationship will always occur. The market price of ETFs and HOLDRs traded on the secondary market is subject to the forces of supply and demand and thus independent of the ETFs NAV. This can result in the market price trading at a premium or discount to the NAV which will affect an investment’s value.

Fixed-Income

Investments in fixed-income securities are subject to interest rate risk and credit risk, including changes in debt ratings.

Interest Rate Risk: When interest rates change, the value of a Strategy’s fixed-income investments will be affected. Debt securities tend to move inversely with changes in interest rates. For example, when interest rates rise, debt security prices generally fall.

Credit Risk: The value of the debt securities held by a Strategy fluctuates with the credit quality of the issuers of those securities. A Strategy could lose money if the issuer of a security is unable to meet its financial obligations or goes bankrupt. Failure of an issuer to make timely payments of principal and interest or a decline or perception of decline in the credit quality of a debt security can cause the price of the debt security to fall.

Changes in Debt Ratings: If a rating agency gives a debt security a lower rating, the value of the security will decline because investors will demand a higher rate of return.

High-Yield Bond Funds: The investor should note that the funds and sub-accounts that invest in lower-rated debt securities involve additional risks because of the lower credit quality of the securities in the Strategy. The investor should be aware of the possible higher level of volatility and increased risk of default.

Tax-Free Municipal Bond Funds: The investor should note that the income from tax-free municipal bond funds may be subject to state and local taxation and the Alternative Minimum Tax.

Bank Loan/Senior Debt Funds: Funds that contain bank loans and senior loans are impacted by risks associated with fixed income in general, including interest rate risk and default risk. Because they often invest in non-investment grade issues, the risk of default is high. These securities are also relatively illiquid. Funds that invest in bank loans or senior debt are often highly leveraged, which will produce a higher than normal level of volatility.

Temporary Defensive Investments

In times of unstable or adverse market or economic conditions, Hedgeable may purchase up to 100% of a Strategy's assets in temporary defensive instruments in an effort to enhance liquidity or preserve capital. Temporary defensive investments generally include cash, cash equivalents such as commercial paper, money market instruments, foreign time deposits, short-term debt securities, U.S. government securities, option contracts, ETFs, inverse ETFs, or repurchase agreements. A Strategy could also hold these types of securities pending the investment of proceeds from the sale of securities held in a Strategy. A Strategy may be invested in temporary defensive investments for undetermined periods of time, depending on market or economic conditions. To the extent Hedgeable invests defensively in these securities, it might not achieve a Strategy's investment objective.

Small and Mid-Size Company Risk

Hedgeable may purchase securities in small or mid-size companies for a Strategy. While small and mid-size companies may offer greater potential for capital appreciation than larger and more established companies, they may also involve greater risk of loss and price fluctuation. The trading markets for securities of small-cap issuers may be less liquid and more volatile than securities of larger companies. This means that Hedgeable could have greater difficulty buying or selling a security for the Strategy of a small-cap issuer at an acceptable price, especially in periods of market volatility.

Private Company Risk

Hedgeable may purchase securities in companies that have yet to float their stock on a public exchange. Not only do these investments have similar risks to small and mid-size companies, as listed above, but increased risks due to a potential lack of liquidity for the investment. There is no guarantee that principal invested in private companies will be returned to an investor, and the time period for any such return of capital can be 10 or more years. Clients should not invest any capital in private company offerings of Hedgeable without understanding these risks, and should not invest any capital that is needed at any time in the upcoming 10 years.

Foreign Investment Risk

Foreign securities refer to securities of issuers, wherever organized, that, in Hedgeable's judgment, have their principal business activities outside of the United States. Investments in foreign securities involve different risks than U.S. investments, including fluctuations in currency exchange rates, potentially unstable political and economic structures, less efficient trade settlement practices, reduced availability of public information, and lack of uniform financial reporting and regulatory practices similar to those that apply to U.S. issuers. Foreign stock markets may also be less liquid than U.S. stock markets.

ADRs

American Depositary Receipts and American Depositary Shares (collectively, "ADRs"). ADRs are receipts representing shares of a foreign corporation held by a U.S. bank that entitle the holder to all dividends and capital gains on the underlying foreign shares. ADRs are typically denominated in U.S. dollars and trade in the U.S. securities markets. ADRs are subject to many of the same risks as direct investments in foreign securities, including the risk that material information about the issuer may not be disclosed in the United States and the risk that currency fluctuations may adversely affect the value of the ADR.

Item 9: Disciplinary Information

There are no legal or disciplinary events that are material to a client's or prospective client's evaluation of this advisory business or the integrity of our management.

Item 10: Other Financial Industry Activities and Affiliations

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

Neither Hedgeable nor its representatives are registered as a broker/dealer or as representatives of a broker/dealer.

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

Neither Hedgeable nor its representatives are registered as a FCM, CPO, or CTA.

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

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

D. Selection of Other Advisors or Managers and How This Adviser is Compensated for Those Selections

Hedgeable does not receive any compensation to select certain advisors or portfolio managers.

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

A. Code of Ethics

We have a written Code of Ethics that covers the following areas: Ethical Behavior, Conflicts of Interest, Inside Information, Outside Employment and Directorships, Acceptance of Gifts and Entertainment, Confidentiality of Company and Client Information, Privacy, Employment Practices, Workplace Practices, Conduct of Audits and Financial Disclosures, Anti-Money Laundering, Compliance and Reporting Procedures, Reporting Violations, and Waivers of the Code. All prospective and current clients have a right to see our Code of Ethics. To request a copy of our Code of Ethics please email compliance@hedgeable.com.

B. Recommendations Involving Material Financial Interests

Related person(s) may have an interest or position in certain securities, which may also be recommended to a client. In such instances, Hedgeable or its related persons may have a financial incentive to buy or sell such securities for client accounts, although this incentive is limited because Hedgeable generally recommends highly liquid index funds or stocks to its clients and because client activity in such securities is unlikely to materially impact their price.

C. Investing Personal Money in the Same Securities as Clients

From time to time, representatives of Hedgeable may buy or sell securities for themselves that are identical to (or different than) those that are recommended to clients. Individuals associated with Hedgeable, including Hedgeable employees, may also be Hedgeable clients. Related person(s) may have an interest or position in certain securities, which may also be recommended to a client. In such instances, Hedgeable or its related persons may have a financial incentive to buy or sell such securities for client accounts, although this incentive is limited because Hedgeable generally recommends highly liquid index funds or stocks to its clients and because client activity in such securities is unlikely to materially impact their price. Hedgeable will document any transactions that could be construed as conflicts of interest and will always transact client business before their own when similar securities are being bought or sold.

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

From time to time, representatives of Hedgeable may buy or sell securities for themselves at or around the same time as clients. Hedgeable and Hedgeable employees will always transact client business before their own when similar securities are being bought or sold. It is the express policy of Hedgeable that no person employed by Hedgeable may use material, non-public information obtained during the course of his or her work in deciding

whether to purchase or sell any security prior to any pending transaction(s) being executed for an advisory account. This policy is intended to prevent employees from benefiting from transactions placed on behalf of advisory accounts.

E. Solicitation of Clients into Hedgeable Venture Fund

Hedgeable has previously solicited advisory clients to invest in Hedgeable Venture Fund I, L.P. where it had served as general partner and investment manager. There are limited conflicts of interest because there was and continues to be no management fee charged by Hedgeable or the current general partner for the venture fund, and no revenue share arrangement exists between Hedgeable or the current general partner and the underlying investment funds. Hedgeable therefore receive no economic benefit to have clients invest in the fund. It is merely a value added service for Hedgeable clients.

Item 12: Brokerage Practices

A. Selecting Broker-Dealers

We maintain relationships with several broker-dealers. In our Wrap Fee Managed Account Programs, all accounts are opened with Folio Institutional. With other services offered, while clients are free to choose any broker-dealer, we recommend that they establish an account with a brokerage firm with which we have an existing relationship. Such relationships may include benefits provided to our firm, including but not limited to, administrative services that help our firm manage client account(s). We believe that recommended broker-dealers provide quality execution services for our clients at competitive prices. Price is not the sole factor we consider in evaluating best execution. We also consider the quality of the brokerage services provided by recommended broker-dealers, including the firm's reputation, execution capabilities, commission rates, and responsiveness to our clients and our firm.

1. Research and Other Soft Dollar Benefits

We do not receive client referrals from broker-dealers in exchange for cash or other compensation, such as brokerage services or research.

2. Brokerage for Client Referrals

We do not receive client referrals from broker-dealers in exchange for cash or other compensation, such as brokerage services or research.

3. Directed Brokerage

We believe that recommended broker-dealers provide quality execution services for our clients at competitive prices. Price is not the sole factor we consider in evaluating best execution. We also consider the quality of the brokerage services provided by recommended broker-dealers, including the firm's reputation, execution capabilities, commission rates, and responsiveness to our clients and our firm.

B. Aggregating Purchases and Sales of Securities

We may combine multiple orders for shares of the same securities purchased for advisory accounts we manage. We will then distribute a portion of the shares to participating accounts in a fair and equitable manner. We do this to ensure to the extent possible that our clients receive the optimal execution and consistent results across our client base. The distribution of the shares purchased is typically proportionate to the size of the account, but it is not based on account performance or the amount or structure of management fees. Subject to our discretion regarding factual and market conditions, when we combine orders, each participating account pays an average price per share for all transactions and pays a proportionate share of all transaction costs. Accounts owned by our firm or persons associated with our firm may participate with your accounts in aggregated orders; however, they will not be given preferential treatment as per our trade rotation policy.

Our policies and procedures define different type of trade errors. Trade errors must be reported immediately to the CCO, documented and resolved on a case-by-case basis.

C. Trade Rotation Policy

Our trades are implemented every morning between 9:30 AM & 11:00AM EST. Our investment algorithms run overnight and produce reports with model trades. These reports are checked by members of the Hedgeable investing team, then approved by Hedgeable's CIO Michael Kane. Once approved, model trades are entered into the broker/dealer used for retail clients – Folio Investments, Inc. ("Folio"). Folio model orders are generated in their twice-daily trade windows (11AM or 2PM), then delegated to the subscribed clients of the models by Folio. Once orders are placed in the Folio windows, the investing team moves on to Turnkey Asset Management Platforms (TAMPs) to implement the model trades in random order.

- Folio (401k)
- Stifel Nicolaus

Hedgeable Employees Responsible for Trades (in order)

- Matthew Kane, COO
- Gunjan Mehta, Operations Manager

Conflicts may arise with the trade rotation where clients on different platforms may receive better or worse execution prices due to the time of the transaction and market movements. We take reasonable measures to ensure that all trading is done around the same time to mitigate these risks but we cannot control daily market movements and execution prices.

Because Hedgeable manages many strategies for clients with different objectives, and there may be overlap amongst the underlying holdings within each strategy, situations may arise where a client is allocated to multiple Hedgeable strategies that own the same security, and both a buy and sell trade will occur for the same security within the same account in the same

day. When a same day buy and sell occurs in a security it is not an intraday trade, but two separate trades executed in two strategies that are run independent of one another.

Item 13: Review of Accounts

A. Frequency and Nature of Periodic Reviews and Who Makes Those Reviews

Client accounts are reviewed daily by Hedgeable's operations team, including a daily trade and cash reconciliation process, and a daily automated process that examines if an account needs to be rebalanced. These processes are overseen by Hedgeable CIO Michael Kane and Hedgeable COO Matthew Kane.

B. Factors That Will Trigger a Non-Periodic Review of Client Accounts

Reviews may be triggered by material market movements, economic or political events, or by changes in the client's risk tolerance or goals.

C. Content and Frequency of Regular Reports Provided to Clients

Hedgeable provides an online platform to Wrap Fee clients which can be accessed 24/7/365 to receive up to date account analytics, reports, and positions. Clients also will receive monthly statements from the custodian, with official reports and account activity.

Item 14: Client Referrals and Other Compensation

A. Economic Benefits Provided by Third Parties for Advice Rendered to Clients (Includes Sales Awards or Other Prizes)

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

B. Compensation to Non-Advisory Personnel for Client Referrals

Hedgeable may enter into lead generation referral based agreements with third party organizations, such as content providers, technology providers, affiliate marketing, strategic partners, and financial services firms (together "marketing partners"), whereby Hedgeable will provide them with compensation for the lead. Clients are not charged any fee, nor do they incur any additional costs or different service level if they are referred by one of Hedgeable's marketing partners, versus signing up directly on the Hedgeable platform. Hedgeable may also enter into solicitation arrangements with other investment advisers whereby the adviser will share revenue for asset based fees garnered from solicited clients and may charge the client a higher total fee than if the client came to Hedgeable directly.

Item 15: Custody

Hedgeable has custody of client funds and/or securities. We may directly debit client account(s) for the payment of our advisory fees. Funds and securities will be held with a bank, broker-dealer, or other independent, qualified custodian. Clients receive account statements from the independent, qualified custodian(s) holding their funds and securities monthly. The account statements from custodian(s) will indicate the amount of our advisory fees deducted from the account(s) each billing period. Clients should carefully review account statements for accuracy. A surprise audit will be conducted annually by an independent accounting firm hired by Hedgeable to verify the accuracy of Hedgeable's custody standards.

All clients will be given access to the Hedgeable.com technology platform to receive live reporting on accounts. We strongly urge clients to compare the account statements they receive from the qualified custodian with the reporting received on the Hedgeable.com site.

If you have a question regarding your account statement or if you did not receive a statement from your custodian, please contact Grant Levine, Chief Compliance Officer, at (800) 785-7914 (ext 118).

Item 16: Investment Discretion

Before we can buy or sell securities on your behalf, a client must first sign a discretionary management agreement and/or a power of attorney.

Clients may grant our firm discretion over the selection and amount of securities to be purchased or sold without obtaining consent or approval prior to each transaction. We generally do not accept management of accounts where clients may specify conditions or investment parameters. Please refer to **Item 4. Advisory Business** in this brochure for more information on our discretionary management services.

We may choose to provide our strategies on a non-discretionary basis to financial advisors when they deem them appropriate for their clients.

Item 17: Voting Client Securities

A. Authority to Vote Client Proxies

Hedgeable has been delegated the authority to vote proxies for the Wrap Fee Managed Accounts and does not accept client requests to vote proxy on their own behalf. In other advisory accounts we may or may not vote proxies on behalf of advisory accounts or offer advice regarding corporate actions and the exercise of proxy voting rights. This will be clearly stated in any Investment Management Agreement signed with the client or with a third-party Advisor. If a client is interested in obtaining a report containing information on how proxies were voted on their behalf, all inquiries should be directed to Hedgeable's Chief Compliance Officer, Grant Levine (grant@hedgeable.com). Before voting any proxy, we will check to make sure there is no conflict of interest between the client's interest and our own. If there is, we

will always err on the side of the client.

We have adopted proxy voting policies and procedures (the “Proxy Voting Policies”) to make every effort to ensure that we vote proxies in the best interest of clients and the value of the investment. All clients may ask for a copy of Proxy Voting Policies on request. The Proxy Voting Policies address how we will vote proxies with regard to specific matters, such as voting rights, mergers or acquisitions, the election of board members and other issues. The Proxy Voting Policies also direct Hedgeable to consider certain factors with regard to specific proxy proposals to assist the firm in voting securities properly. Under the Proxy Voting Policies, we are also permitted to delegate the responsibility to a non-affiliated third party vendor to review proxy proposals and make voting recommendations on our behalf. We may also vote a proxy contrary to the Proxy Voting Policies if we determine that such action would be in our clients’ best interest.

B. Receiving Proxies

If Hedgeable does not have the authority to vote proxies on the account, in most cases, clients 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 by mail, unless the client has consented to electronic delivery, in which case, we would forward any electronic solicitation to vote proxies.

Item 18: Financial Information

A. Balance Sheet

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

B. Financial Conditions Reasonably Likely to Impair Ability to Meet Contractual Commitments to Clients

Neither Hedgeable nor its management have any financial conditions that are likely to reasonably impair our ability to meet contractual commitments to clients.

C. Bankruptcy Petitions in Previous Ten Years

Neither Hedgeable nor its management have been the subject of a bankruptcy petition in the last ten years.

Hedgeable, Inc.

Form ADV Part 2B

Brochure Supplement

This brochure supplement provides information about Michael Kane, Hedgeable Inc.'s CEO/CIO, that supplements the Hedgeable, Inc. brochure. You should have received a copy of that brochure. Please contact Grant Levine, Hedgeable Inc.'s CCO, at grant@hedgeable.com, if you did not receive Hedgeable, Inc.'s brochure or if you have any questions about the contents of this supplement.

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support@hedgeable.com

Registration does not imply a certain level of skill or training.

Version Date: 03/25/2018

Item 2: Educational Background and Business Experience

Name: Michael R Kane

Year Born: 1984

Formal education after high school:

The Pennsylvania State University- University Park, PA- B.S., Finance- 2005

Business background for the preceding five years:

Hedgeable, Inc., Co-Founder and CEO/CIO – April 2009 to Present

The Hydrogen Technology Corporation, Co-Founder & CEO- Nov 2017 to Present

Item 3: Disciplinary Information

There are no legal or disciplinary events that are material to a client's or prospective client's evaluation of the integrity of Michael R Kane.

Item 4: Other Business Activities

Michael R. Kane is the Chief Executive Officer of The Hydrogen Technology Corporation ("Hydrogen") a technology company that licenses its API software to global financial institutions. Hydrogen is not investment-related, and is not a regulated entity.

Michael R. Kane also acts as the general partner of the Hedgeable Venture Fund.

Item 5: Additional Compensation

Michael R Kane does not receive any economic benefit, directly or indirectly, from any third party for advisory services rendered to Hedgeable clients.

Item 6: Supervision

Michael R Kane is supervised by the Chief Compliance Officer of Hedgeable, Grant Levine.