

Fusion Financial Advisors, LLC

2010 Crow Canyon Place, Suite 100

San Ramon, CA 94583

(925) 235-2062 Ext.2

www.fusion.financial

justin@testudosolutions.com

Form ADV Part 2 - Brochure

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This brochure (“**Brochure**”) provides information about the qualifications and business practices of Fusion Financial Advisors, LLC, doing business or otherwise known as Fusion Financial (“**Fusion**”). If you have any questions about the contents of this Brochure, please contact Fusion via telephone at (925) 235-2062 Extension #2 or via e-mail to Justin Schleifer at justin@testudosolutions.com. The information in this Brochure has not been approved or verified by the United States Securities Exchange Commission (“**SEC**”) or by any state securities authority.

Fusion is registered as investment adviser with the SEC pursuant to the Investment Advisers Act of 1940, as amended (“**Advisers Act**”). Registration by an investment adviser with the SEC does not imply that the investment adviser has a certain level of skill or training. Additional information about Fusion is also available on the SEC’s website at: www.adviserinfo.sec.gov.

Item 2: Material Changes

Since the Firm's most recent filing, it has appointed Aiko Lavine as Chief Executive Officer and Justin Schleifer as Chief Compliance Officer.

Item 3: Table of Contents

Item 1: Cover Page.....	1
Item 2: Material Changes.....	2
Item 3: Table of Contents.....	3
Item 4: Advisory Business	4
Item 5: Fees and Compensation.....	8
Item 6: Performance Fees and Side-by-Side Management	9
Item 7: Types of Clients.....	10
Item 8: Methods of Analysis, Investment Strategies and Risk of Loss	11
Item 9: Disciplinary Information	27
Item 10: Other Financial Industry Activities and Affiliations.....	28
Item 11: Code of Ethics, Participation or Interest in Client Transactions, Personal Trading.....	29
Item 12: Brokerage Practices.....	31
Item 13: Review of Accounts.....	33
Item 14: Client Referrals and Other Compensation	34
Item 15: Custody	35
Item 16: Investment Discretion.....	36
Item 17: Voting Client Securities.....	37
Item 18: Financial Information	38

Item 4: Advisory Business

Overview

Fusion Financial Advisors, LLC (“**Fusion**”) is a limited liability company organized in February 2018 under the laws of the State of Delaware. Fusion is a wholly-owned subsidiary of Fusion US Holdings, Inc., a financial services company also organized under the laws of the State of Delaware and headquartered in San Ramon, CA.

Fusion is an internet-only based investment adviser that offers personalized, technology-driven investment advisory services to clients (each a “**Client**,” and collectively, “**Clients**”) through mobile and desktop, web-based applications (collectively, the “**Fusion Application**”) pursuant to an investment advisory agreement entered into by Fusion and each Client (each, an “**Agreement**”). Each Client will enter into an Agreement with Fusion on or before the date of initial date of submission of the relevant Client’s Client Questionnaire (as defined below).

Additional information about Fusion is also available on the SEC’s website at: www.adviserinfo.sec.gov. The SEC’s website also provides information about persons affiliated with Fusion, including those individuals who are registered, or are required to be registered, as investment adviser representatives of Fusion.

Investment Advisory Services

Fusion provides web-based investment advisory services to users of the Ethos.io platform (the “**Ethos Platform**”), which consists of users interested and/or knowledgeable of blockchain technology and cryptocurrencies. The Ethos Platform is an online digital financial ecosystem with a dynamic social network and marketplace for consumers, financial professionals and firms, merchants and developers interested in financial and investment information, products, and services, including those related to blockchain and cryptocurrencies. Fusion’s services are offered to users of the Ethos Platform through co-branded pages. Fusion interacts with its Clients primarily through the Fusion Application accessible directly on the Ethos Platform. The advisory services are delivered solely through the Fusion Application. Fusion does not provide investment advice in person, over the phone, or in any manner other than through the Fusion Application. In addition to advisory services, Fusion may also provide individuals with free portfolio tracking services by allowing individuals to link their brokerage accounts and/or digital wallets to be displayed on the Fusion Application.

Clients can utilize the Fusion Application to learn about investing, track third-party brokerage accounts and/or digital wallets, and create and manage an investment portfolio designed to meet their financial goals, interests and beliefs within their respective investment objectives, risk tolerance and financial parameters. The advisory services offered through the Fusion Application may consist of advice limited to only mutual funds, exchange traded funds (“**ETFs**”), and digital assets (also known as “cryptocurrencies” or “coins”), as well as cash and cash equivalents. Fusion’s advisory services are intended for long-term investors that are focused on building wealth over time through a highly diversified portfolio, and are not geared toward short-term, active investors.

In order to enable Fusion to provide Clients with an investment program that is consistent with their individual investment objectives, risk tolerance, and financial parameters, each Client is required to input their personal information, including age, financial resources, investment goals, and investment objectives, and risk tolerance, as well as indicating whether they are interested in investing in digital assets, via an online interactive questionnaire contained within the Fusion Application (the “**Client Questionnaire**”). Based solely on its analysis of the information provided by a Client via the Client Questionnaire, the Fusion Application provides each Client with a recommended portfolio from Fusion’s set of established model investment portfolios, each of which are designed to be consistent with a given Client’s investment objectives, risk tolerance, and financial parameters. The Fusion Application relies upon the information provided by the Client in the Client Questionnaire, and Fusion does not capture any additional information not covered in the Client Questionnaire in generating its investment advice. Once a Client’s investment objectives and risk profile are determined, the Fusion Application will generate an investment recommendation in the form of a model investment portfolio and provide the Client with an opportunity to review such recommended model investment portfolio and adjust it if they so desire. Clients have complete discretion regarding whether to accept their recommended model investment portfolio, choose a different model investment portfolio with different risk/return characteristics and investment objectives, or create their own self-directed investment portfolio with mutual funds, ETFs, and/or digital assets.

In designing its model investment portfolios, Fusion endeavors to account for certain factors, including the goal of achieving optimal allocation between asset classes based upon the investment objectives and target risk-level for each model investment portfolio. Model investment portfolios may include recommendations with respect to investments in ETFs, mutual funds, cash and cash equivalents, and cryptocurrencies. It is intended that the model investment portfolios will efficiently provide a Client diverse exposure to each such asset class. Additionally, when selecting investments for inclusion in its model investment portfolios, Fusion also takes into account the liquidity of the investments, which will impact the efficiency and costs associated with rebalancing a Client’s portfolio, a service which will be performed by Fusion in order to maintain the intended risk level and return target in light of the established investment objective(s) for the model investment portfolios.

Fusion offers Clients investment management services. Each Client is required to establish a brokerage account at Apex Clearing Corporation (each, an “**Account**”). Fusion will provide investment advice and management to Client Accounts through the initial and ongoing implementation of the model investment portfolio for each Client Account. Fusion, through the Fusion Application, provides a recommended model investment portfolio to each Client. Upon being presented with such recommended model investment portfolio, the Client will have the opportunity to review the model investment portfolio through the Fusion Application. Following such review, the Client may: (i) approve and authorize Fusion to implement the model investment portfolio; (ii) request that Fusion modify the recommendation to address any specific modifications or restrictions identified by the Client; or (iii) reject the model investment portfolio. Clients are not required to implement Fusion’s recommended model investment portfolio. Clients should carefully review all the information provided by the Fusion Application and in the relevant prospectuses, company reports, digital assets’ white papers and websites, and other offering and support materials before accepting an investment recommendation from Fusion. Clients will also be given the opportunity to provide reasonable restrictions regarding

specific mutual funds, ETFs, or Coins, or types of mutual funds, ETFs, or Coins, that should not be purchased for their Account or should be sold if held for their Account.

After a Client has accepted Fusion's model investment portfolio recommendation, or has accepted a modified or restricted version of the model investment portfolio that has been agreed to by Fusion, via the Fusion Application, Fusion will instruct Apex Clearing Corporation to purchase assets (i.e., mutual funds and/or ETFs) for such Client's Account, using the funds in such Client's Account, which correspond to the assets in the accepted model investment portfolio (the "**Initial Investment**"). For those model investment portfolio recommendations involving cryptocurrency asset purchases, Fusion will notify the client electronically of its recommendation to purchase cryptocurrency assets directly to the Client's digital wallet via the Ethos Platform. Following the Initial Investment, Fusion will provide each Account with automated portfolio optimization and rebalancing services (the Initial Investment for a Client together with such ongoing automated portfolio optimization and rebalancing services provided to such Client, the Client's "**Investment Program**").

Any Client may change its Investment Program, including their financial parameters, investment objectives, and risk tolerance via the Fusion Application.

As a part of the investment advisory services delivered through the Fusion Application, Fusion will:

- Review each Client's financial parameters, investment objectives, and risk tolerance initially as reported through the Fusion Application by the Client via its initial Client Questionnaire and each time a Client updates its Client Questionnaire;
- Provide financial educational content;
- Recommend a model investment portfolio based on each Client's financial parameters, investment objectives, and risk tolerance (as reported through the Fusion Application by the Client);
- Review and determine whether to accept as reasonable any modifications or restrictions to the recommended model investment portfolio requested by the Client;
- Provide automated Account optimization and rebalancing on a periodic basis, as provided for in the Agreement;
- Contact each Client at least annually, via the Fusion Application, to notify the Clients to update their Client Questionnaire to reflect any changes in their financial parameters, investment objectives, and risk tolerance; and
- Assist each Client in establishing an Account with Apex Clearing Corporation.

Clients are obligated to update their information through the Fusion Application promptly if there are changes to their financial situation, goals, objectives, risk tolerance, personal circumstances, time horizon or if other relevant information changes or becomes available.

Generally, mutual funds, ETFs, cash and cash equivalents in each Client's Account are held in a separate account in the name of the Client at an unaffiliated qualified custodian, and not with Fusion. All Client Accounts are held at Apex Clearing Corporation, as the qualified custodian

(the “**Custodian**”). Client cryptocurrency assets (*e.g.*, Bitcoin) included as part of a Client’s Investment Program will be held directly by each Client in a public blockchain address pre-established directly by the Client using their personal mobile device and visible in wallets that can interact with the Ethos Platform. Each Client will be the sole possessor of their “private key or seed” for the Account. This structure allows the Client to control all aspects of their digital assets, including whether, or not, to accept, and authorize, portfolio related transactions recommended by Fusion as part of the Investment Program.

The mutual funds or ETFs purchased or sold for a Client may be either whole or fractional shares, depending upon the amount a Client invests in a particular mutual fund or ETF. Fusion enables dollar-based investing, whereby a Client can buy a fixed dollar amount rather than a whole share of a mutual fund or ETF. Fusion will aggregate all dollar-based purchases and sales and place whole share orders for execution via Apex Clearing Corporation. Thereafter, Fusion will allocate whole or fractional shares to individual Client Accounts based on their proportion of the initial purchase or sale. Fractional shares of mutual funds or ETFs are typically not transferable outside of a Client’s Account because the financial system in the United States currently is structured to only accommodate transfers of full shares. As a result, fractional shares may not be marketable or transferable to another account of the Client.

In the event of a liquidation or transfer of the assets in a Client’s Account to another account, Fusion may convert fractional shares of mutual funds and ETFs to cash.

The digital assets purchased for a Client’s Account as a part of such Client’s Investment Program may include, among other things, Bitcoin, Ether, Litecoin, Bitcoin Cash and other cryptocurrency representing a store of value on a particular blockchain protocol (“**Coins**”). Tokens representing decentralized applications (dApps) and other functional utilities running on other blockchain [protocols] (each a “**Token**”, together the “**Tokens**”), will not be included in Fusion’s model investment portfolios and cannot be purchased using assets in an Account. Fusion may, however, determine to provide services with respect to Tokens at a future time.

Coins purchased or sold for a Client’s Account as a part of a Client’s Investment Program will be evaluated using Fusion’s algorithmic portfolio optimization strategies to assess market, trading, and investment-specific characteristics, including market depth and liquidity, to confirm that investment in a Coin or Coins is consistent with a Client’s financial parameters, investment objectives, and risk tolerance.

The Agreement entered into between Fusion and each Client will further detail the services Clients will receive, fees charged to Clients, and the conditions of the Fusion-Client relationship. Fusion does not provide financial planning services, tax advice or legal advice.

Training

Fusion may also provide a non-discretionary educational service offering algorithm-based investment analysis to individual users of the Ethos Platform who are not Account-holding Clients (the “**Educational Service**”). The Educational Service is expected to include algorithm-based analysis and educational information based on financial and other information provided by users. Fusion may provide such Educational Service in its entirety or only certain individual components to non-account holding Clients.

Item 5: Fees and Compensation

Under the terms of each Agreement with a Client, Fusion charges Clients either a flat fee or a percentage of each Client's assets under management. Clients should refer to their Agreement for a detailed fee schedule (the "**Fee**"). Fusion does not charge individuals for its portfolio tracking service but may charge subscription or fixed fees to non-advisory and/or advisory clients for its Educational Service.

Fusion reserves the right to waive the Fee or any part thereof for any period for any Client in Fusion's sole discretion. To this end, Fusion may, from time to time, elect to launch programs or initiatives whereby the Fee may be waived, in whole or in part, for certain categories of Clients (such as students, lower-value accounts, Clients below a certain age and/or military veterans). Any such program or initiative: (i) is entirely discretionary to Fusion, and may be expanded, narrowed, suspended, cancelled or modified at any time by Fusion; and (ii) will be subject to any rules, guidelines and/or terms and conditions created by Fusion in connection therewith (which rules, guidelines and/or terms may be included in website landing pages, on Fusion's website generally, the Fusion Application, and/or elsewhere). To the extent any such program or initiative is cancelled or terminated, Clients will once again be charged the then-current fees on a going-forward basis. Fusion shall have sole discretion in determining whether any existing Client or potential Client meets the requirements to participate in and/or benefit from any such program or initiative, and Fusion shall not be liable to the Client or any other party in connection with any such decision and/or in connection with the administration of any such program or initiative generally.

The Fee paid to Fusion under a Client's Agreement is for Fusion's advisory services through the Fusion Application. The Fee does not include other related costs and expenses that a Client may incur, including certain charges imposed by custodians, brokers, blockchain miners, the Ethos Platform, and other third parties. These costs and expenses include transaction fees, transfer fees, administrative fees, brokerage or trading commissions or fees, fees paid for use of the Ethos Platform, and custody or clearing fees, as well as other fees and taxes on brokerage accounts. Mutual funds and ETFs also charge internal management fees, which are disclosed in the relevant fund's prospectus. Fusion does not receive these fees or any other compensation from the mutual fund or ETF fund managers. These fees are in addition to the Fee Clients pay to Fusion. Clients should review all fees charged to fully understand the total amount of fees they will pay.

Fees paid by Clients to Fusion are paid by: (i) a Client authorizing the Custodian to deduct the payment from such Client's Account; or (ii) direct payments initiated and authorized by a Client from such Client's own bank account or digital wallet. Fusion will generally bill Clients monthly, in arrears in accordance with the terms of each Client's Agreement.

Item 6: Performance Fees and Side-by-Side Management

Fusion does not charge and does not intend to charge a performance-based fee (i.e., a fee based on a share of capital gains on or capital appreciation of the assets of a Client).

Item 7: Types of Clients

Fusion's advisory services, as provided via the Fusion Application, are solely available to users of the Ethos Platform. Each Ethos Platform user wishing to access Fusion's investment advisory services must successfully complete a new account application, including submitting various personally identifiable information required by U.S. federal law, and executes an Agreement before being permitted to become a Client of Fusion.

There are no minimum account size or value requirements; however, Fusion reserves the right to impose a minimum account size or value requirement in the future at its discretion. Fees are not negotiable.

Account Requirements:

Clients approved for an investment advisory account must maintain an account at Apex Clearing Corporation, an unaffiliated third-party qualified custodian.

There is no minimum account size requirement; however, in order to make use of Fusion's model investment portfolio service, a Client must initially deposit a minimum of \$10 in the Account.

Fusion reserves the right to impose a minimum account size or value in the future at its discretion. Fees are not negotiable.

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

Methods of Analysis, Investment Strategies

Through qualitative and quantitative due diligence and analysis of mutual funds and ETFs available on the Apex Clearing Corporation's platform, Fusion selects mutual funds and ETFs for use in Clients' Investment Programs. Fusion chooses mutual funds and ETFs because of their transparency, liquidity, fee models and diversification. Depending upon a Client's responses in its Client Questionnaire, Fusion may also include select Coins in the model investment portfolios presented to Clients.

The mutual funds or ETFs Fusion selects represent an array of investment options across a broad range of:

- Risk levels (conservative, moderate, or aggressive);
- Asset classes (micro-, small-, mid-, and large-cap equities, fixed income, real estate, commodities, international);
- Style Factors (momentum, minimum volatility, size);
- Industries (healthcare, defense, consumer); and
- Social beliefs (sustainability, millennials, water focused, environmentally focused).

In Fusion's due diligence and analysis process, Fusion analyzes the mutual funds or ETF's fees and performance using historical market data, risk metrics and other benchmarks.

As part of the analysis and review process, Fusion may add, remove, re-categorize or replace a mutual fund or ETF included in Fusion's model investment portfolios. In the event a mutual fund or ETF is removed from a model investment portfolio and replaced with another substantially similar investment, Fusion will instruct the Custodian to liquidate Client positions in such mutual fund or ETF to cash at the next portfolio rebalancing date and reinvest the proceeds thereof in the replacement investment.

Coins are a relatively newer asset class that may exhibit high volatility and low liquidity. Fusion's asset allocation methodology takes these factors into account, and limits allocations to Coins accordingly. Coins included in a Client Investment Program are assessed by Fusion based on the following factors (among others):

- Blockchain protocol functionality, use-case, and functional demand;
- Legal structure, including domicile, country coverage and market-based rules;
- Market capitalization, established price history and liquidity;
- Price availability and discovery; and
- Execution venue, coverage and costs, including bid/offer spreads.

Fusion's investment strategies are primarily based on the following principles and strategies: (i) equities, as an asset class, generally have a high probability of outperforming other broadly accessible and liquid asset classes over a 10-year period; (ii) adjusted for fees, low cost passive approaches, implemented using low-cost index-based mutual funds and ETFs, generally outperform higher cost (i.e., non-index based) active funds; (iii) small allocations to emerging asset classes like Coins generally improve risk-adjusted returns', and (iv) a rules-based approach, using algorithms, to improving tax efficiency in buy/sell/hold decisions, generally can improve after-tax returns through the reduction and deferral of taxes.

Fusion employs the following portfolio risk management strategies: (a) international diversification through low-cost mutual funds, coins and ETFs to lower the volatility of returns; and (b) using fixed income assets and coins to hedge against equity drawdown (losses).

Fusion's Portfolio Team regularly reviews Client Accounts and utilizes its algorithms to periodically rebalance each portfolio, upon client consent, with the intent to maintain the Client's risk profile and the approved asset allocation. On an annual basis, Fusion contacts Clients to remind Client's to review and update the information previously provided as part of the Client Questionnaire.

Risk of Loss

Fusion does not guarantee any level of performance or that any Client will avoid losses in their Account. Any investment in securities or other assets involves the possibility of financial loss. When evaluating risk, financial loss may be viewed differently by each Client and may depend on many different risk factors.

Any investment made for a Client's Account will be subject to various market, volatility, liquidity, mutual fund or ETF, digital asset-specific and other risks inherent in investing. The investments made based on a recommended model investment portfolio received from the Fusion Application will not always be profitable.

Past performance is no guarantee of future results. All investments carry some level of risk. Clients may lose some, or all, of the money they invest, including their principal, because the value of their investments may fluctuate. Dividend or interest payments may also fluctuate, or stop completely, as market conditions change.

Clients should be sure to read a potential investment's prospectus, white paper, shareholder reports, and other relevant documents, as applicable, in order to learn about its investment strategy and any potential risks prior to making any investments. Investments with higher targeted rates of return may involve risks that are beyond an individual Client's comfort level and are inconsistent with each Client's financial goals.

While past performance does not necessarily predict future returns, it may indicate how volatile (or stable) an investment has been over a certain period. Generally, the more volatile an investment, the higher the investment risk.

General Risk Factors

Each Client's Investment Program is expected to be comprised of a variety of mutual funds, ETFs, and Coins that involve certain risks. Investments involve risk of loss that Clients should be prepared to bear. Fusion does not guarantee or represent that a Client's Investment Program will be successful. Past results are not necessarily indicative of future performance and investment results may vary over time. Fusion cannot assure its Clients that their investments will be profitable. A Client may incur substantial losses. A Client's investments are not a bank deposit and are not insured or guaranteed by the Federal Deposit Insurance Corporation, the Securities Investor Protection Corporation, or any other government agency.

Fusion relies on data provided by third-party vendors as part of processes involved in providing investment advisory services to Clients. Fusion does not take responsibility for any errors that result from inaccurate and/or untimely data provided by third-party vendors. Moreover, there may be time lags associated with inputting or implementing vendor data that may impact certain processes and thereby impact Fusion's advisory services and/or a Client's investments.

Please refer to the applicable disclosure and offering documents for further information.

Allocation risk. The asset classes that a Client is invested in can perform differently from each other at any given time (as well as over the long term), so the Client's portfolio will be affected by its allocation among the various asset classes. If a Client's portfolio favors exposure to an asset class during a period when that class underperforms, performance may be hurt. In addition, there can be no assurance that a portfolio's allocation among investments will be effective in achieving the Client's investment goal.

Asset-backed securities risk. Certain Client investments (including mutual funds or ETFs) may have exposure to asset-backed securities. General downturns in the economy could cause the value of asset-backed securities to fall. In addition, asset-backed securities present certain risks that are not presented by mortgage-backed securities. Primarily, these securities may provide an interest holder with a less effective security interest in the related collateral than do mortgage-backed securities. Therefore, there is the possibility that recoveries on the underlying collateral may not, in some cases, be available to support payments on these securities.

Call risk. Certain Client investments (including mutual funds or ETFs) may have exposure to bonds. Some bonds provide the issuer the option to call, or redeem, the bonds before their maturity date. If an issuer "calls" its bond during a time of declining interest rates, the bondholder might have to reinvest the proceeds in an investment offering a lower yield, and therefore might not benefit from any increase in value as a result of declining interest rates. During periods of market illiquidity or rising interest rates, prices of "callable" issues are generally subject to increased price fluctuation.

Commodity sector risk. Certain Client investments (including mutual funds or ETFs) may have exposure to commodities and commodities markets. Exposure to the commodities markets may subject an investment to greater volatility than investments in traditional securities. Investments

linked to the prices of commodities are considered speculative. Prices of commodities and related contracts may fluctuate significantly over short periods for a variety of factors, including: changes in supply and demand relationships, weather, agriculture, trade, fiscal, monetary and exchange control programs, disease, pestilence, acts of terrorism, embargoes, tariffs and international economic, political, military and regulatory developments.

Counterparty risk. Under certain conditions, a counterparty to a transaction, including securities lending arrangements and derivative instruments, could fail to honor the terms of an agreement, and thereby default. As a result, the market for certain securities or financial instruments in which the counterparty deals could become illiquid.

Credit risk. Failure of an issuer to make timely interest or principal payments, or a decline or perception of a decline in the credit quality of a bond can cause a bond's price to fall, lowering the value of a Client's indirect investment in such security. The lower a security's credit rating, the greater the chance that the issuer of the security will default or fail to meet its payment obligation.

Cybersecurity risk. In addition to the risks described that primarily relate to the value of investments, there are various operational, systems, information security and related risks involved in investing, including but not limited to "cybersecurity" risk. Cybersecurity attacks include electronic and non-electronic attacks that include, but are not limited to, gaining unauthorized access to digital systems to obtain client and financial information, compromising the integrity of systems and client data (e.g., misappropriation of assets or sensitive information), or causing operational disruption through taking systems off-line (e.g., denial of service attacks). As the use of technology has become more prevalent, Fusion and Clients' accounts have become potentially more susceptible to operational risks through cybersecurity attacks. These attacks in turn could cause Fusion and/or Clients' accounts to incur regulatory penalties, reputational damage, additional compliance costs associated with corrective measures, and/or financial loss. Similar adverse consequences could result from cybersecurity incidents affecting issuers of securities in which Client's invest, counterparties with which Clients and/or Client's investments engage in transactions, third-party service providers (e.g., a custodian), governmental and other regulatory authorities, exchange and other financial market operators, banks, brokers, dealers and other financial institutions and other parties. While cybersecurity risk management systems and business continuity plans have been developed and are designed to reduce the risks associated with these attacks, there are inherent limitations in any cybersecurity risk management system or business continuity plan, including the possibility that certain risks have not been identified. Accordingly, there is no guarantee that such efforts will succeed, especially since Fusion does not directly control the cybersecurity systems of issuers or third-party service providers.

Digital asset risk. Coins can only be transferred with the private key associated with the public address in which a Coin is held. As Fusion will not Custody Client digital assets, Clients should safeguard and securely store their private keys associated with each of their public Coin addresses by using wallet software with extra protection through encryption. To the extent a Client's private key is lost, destroyed, exfiltrated or otherwise compromised and no backup of the private key is accessible, such Client will be unable to transfer its Coins held in the public Coin address associated with that private key. Consequently, such Coins will effectively be lost, which would adversely affect the Client's portfolio.

The further development and acceptance of digital asset systems, which represent a new and rapidly changing industry, are subject to a variety of factors that are difficult to evaluate. The slowing or stopping of the development or acceptance of digital assets may adversely affect a Client's portfolio.

The factors affecting the further development of the digital asset industry include, but not limited to:

- Continued worldwide growth in the adoption and use of digital assets;
- Government and quasi-government regulation of digital assets and their use, or restrictions on or regulation of access to and operation of digital asset systems;
- The maintenance and development of the open-source software protocol of the digital asset systems;
- Changes in consumer demographics and public tastes and preferences;
- The availability and popularity of other forms or methods of buying and selling goods and services, including new means of using fiat currencies; and
- General economic conditions and the regulatory environment relating to digital assets.

Currently, there is relatively limited use of digital assets in the retail and commercial marketplace in comparison to relatively extensive use by speculators, thus contributing to price volatility that could adversely affect a Client's investments in Coins. A lack of expansion by digital assets into retail and commercial markets, or a contraction of such use, may result in increased volatility or a reduction in the price of certain or all Coins, either of which could adversely impact the Client's portfolio.

Additionally, significant contributors to digital asset networks could propose amendments to a Coin's network that, if accepted and authorized, could adversely affect a Client's investments.

The price of a digital asset can fluctuate widely. Several factors may affect the price of a Coin, including, but not limited to:

- The total number of Coins for a given digital asset in existence;
- Global demand, which is influenced by the growth of retail merchants' and commercial businesses' acceptance of digital assets as payment for goods and services, the security of online exchanges and public Coin addresses that hold Coins, the perception that the use and holding of digital assets is safe and secure, the lack of regulatory restrictions on the use of Coins, and the reputation regarding the use of digital assets for illicit purposes;
- The global supply of a Coin, which is influenced by similar factors as global demand for such Coin, in addition to fiat currency needs by miners and taxpayers who may liquidate holdings to meet tax obligations;
- Expectations with respect to the rate of inflation of fiat currencies;

- Expectations with respect to a Coin's rate of deflation;
- Interest rates;
- Currency exchange rates, including the rates at which a Coin may be exchanged for fiat currencies;
- Fiat currency withdrawal and deposit policies of exchanges and liquidity on exchanges;
- Interruptions in service from or failures of the exchanges;
- Theft, or news of such theft, of digital assets from individuals or retail and service providers, including companies that buy, sell, process payments or store Coins;
- Investment and trading activities of large investors, including private and registered funds, that may directly or indirectly invest in digital assets;
- Monetary policies of governments, trade restrictions, currency devaluations and revaluations;
- Regulatory measures, if any, that restrict the use of digital assets as a form of payment or the purchase of digital assets on the market;
- The availability of companies providing services related to digital assets;
- The maintenance and development of the open-source software protocol of certain digital assets;
- Increased competition from other forms of Coins or means of payments;
- Global or regional political, economic or financial events and situations;
- Expectations among economy participants that the value of a given Coin will soon change; and
- Fees, including miners' fees, associated with processing digital asset transactions.

Exchanges on which digital assets trade are new and, in most cases, largely unregulated. Furthermore, many exchanges (including several of the most prominent U.S. Dollar-denominated exchanges) do not provide the public with significant information regarding their ownership structure, management teams, corporate practices or regulatory compliance. As a result, the marketplace may lose confidence in or may experience problems relating to exchanges, including prominent exchanges handling a significant portion of the volume of a Coin's trading. Exchanges may impose daily, weekly, monthly or customer-specific transaction or distribution limits, or may suspend withdrawals entirely, rendering the exchange of virtual currency for fiat currency difficult or impossible. Exchanges generally operate outside of the United States. A Client may have difficulty in successfully pursuing claims in the courts of such countries or enforcing in the courts of such countries a judgment obtained in another country. In general, certain less developed countries lack fully developed legal systems and bodies of commercial law and practices normally found in countries with more developed market economies. The participation in exchanges requires users, such as Fusion, to take on credit risk by transferring assets from a personal account to a third party's account. Exchanges may be subject to cyber risks, including the potential hacking of user wallets.

While it is generally accepted that certain digital assets (e.g., Bitcoin) do not constitute a “security” for purposes of determining whether compliance with U.S. securities laws is necessary for buying and selling such digital asset, the character of most other digital assets is not always easy to determine, especially with respect to Tokens. Many Tokens purporting not to be securities do in fact have the characteristics of securities. Each Token must be analyzed independently to determine whether, or not, it is a security. Whether a Token is a security or not will determine what laws and regulations apply to its purchase and sale. Although Fusion does not currently include Tokens as a part of its model investment portfolios or allow Clients to purchase Tokens via the Fusion Application as a part of their Investment Program, prospective and current Clients should understand these risks.

Emerging market risk. Certain Client investments (including mutual funds or ETFs) may be exposed to risks involved when investing in emerging markets. Emerging markets tend to be more volatile and less liquid than the markets of more mature economies and generally have less diverse and less mature economic structures and less stable political systems than those of developed countries.

Equity securities risk. The value of equity securities of public and private, listed and unlisted companies and equity derivatives generally varies with the performance of the issuer and movements in the equity markets. As a result, a Client may suffer losses if such Client invests in, or a Client’s investment invests in, equity instruments of issuers whose performance diverges from expectations or if equity markets generally move in a single direction. Clients may also be exposed to risks that issuers will not fulfill contractual obligations such as, in the case of convertible securities or private placements, delivering marketable common stock upon conversions of convertible securities and registering restricted securities for public resale.

Exchange-traded fund (ETF) risk. ETFs are shares of publicly traded unit investment trusts, open-end funds or depository receipts that seek to track the performance and dividend yield of specific indexes or companies in related industries. These indexes may be either broad-based, sector, or international. However, ETF shareholders are generally subject to the same risk as holders of the underlying financial instruments they are designed to track. ETFs are also subject to certain additional risks, including, without limitation, the risk that their prices may not correlate perfectly with changes in the prices of the underlying financial instruments they are designed to track and the risk of trading in an ETF halting due to market conditions or other reasons, based on the policies of the exchange upon which the ETF trades.

ETFs in which a Client may invest involve certain inherent risks generally associated with investments in a portfolio of common stocks and/or bonds, including the risk that the general level of stock prices may decline, thereby adversely affecting the value of each unit of the ETF. Moreover, an ETF may not fully replicate the performance of its benchmark index because of the temporary unavailability of certain index securities in the secondary market or discrepancies between the ETF and the index with respect to the weighting of securities or the number of securities held.

Investing in ETFs, which are investment companies, will involve two levels of advisory fees (i.e., the Fee paid to Fusion plus any management fees charged by the issuer of the ETF) and

certain other expenses. This scenario may cause a higher advisory cost (and potentially lower investment return) than if a Client purchased the ETF directly.

Fixed income market risk. Certain investments by Clients (including mutual funds or ETFs) are expected to have exposure to fixed-income securities. The market value of a fixed-income security may decline due to general market conditions that are not specifically related to a particular company, such as real or perceived adverse economic conditions, changes in the outlook for corporate earnings, changes in interest or currency rates, or adverse investor sentiment generally. The fixed-income securities market can be susceptible to increases in volatility and decreases in liquidity. Liquidity can decline unpredictably in response to overall economic conditions or credit tightening. Increases in volatility and decreases in liquidity may be caused by a rise in interest rates (or the expectation of a rise in interest rates), which are at or near historic lows in the United States and in other countries.

Foreign investment risk. Certain Client investments (including mutual funds or ETFs) may invest outside of the U.S. Special risks associated with investments investing in foreign companies include exposure to currency fluctuations, less liquidity, less developed or less efficient trading markets, lack of comprehensive company information, political or economic instability, seizure or nationalization of assets, imposition of taxes or repatriation restrictions and differing auditing and legal standards. The securities of issuers located in emerging markets can be more volatile and less liquid than those of issuers in more mature economies.

Frontier market risk. The risks associated with an investment investing in frontier market countries include all the risks described for investments in foreign securities and emerging markets, although the risks are magnified for frontier market countries. Because frontier markets are among the smallest, least mature and least liquid of the emerging markets, investments in frontier markets generally are subject to a greater risk of loss than investments in developed markets or traditional emerging markets. Frontier market countries have smaller economies, less developed capital markets, greater market volatility, lower trading volume, more political and economic instability, greater risk of a market shutdown and more governmental limitations on foreign investments than typically found in more developed markets.

Government securities risk. Certain Client investments (including mutual funds or ETFs) may invest in securities issued by the U.S. government's agencies and instrumentalities. Not all obligations of the U.S. government's agencies and instrumentalities are backed by the full faith and credit of the U.S. Treasury. Some obligations are backed only by the credit of the issuing agency or instrumentality, and in some cases, there may be an increased risk of default by the issuer. Any guarantee by the U.S. government or its agencies or instrumentalities of a security held by an investment does not apply to the market value of such security. A security backed by the U.S. Treasury or the full faith and credit of the United States is guaranteed only as to the timely payment of interest and principal when held to maturity. In addition, because many types of U.S. government securities trade actively outside the United States, their prices may rise and fall as changes in global economic conditions affect the demand for these securities. No assurance can be given that the U.S. government will provide financial support to its agencies and instrumentalities, since it is not obligated to do so by law.

High yield bond risk. Certain Client investments (including mutual funds or ETFs) may have exposure to high yield (“junk”) bonds. High yield bonds involve greater credit risk, including the risk of default, than investment grade bonds and are considered predominantly speculative with respect to the issuer’s ability to make principal and interest payments. The prices of high yield bonds can fall dramatically in response to bad news about the issuer or its industry, or the economy in general.

Inflation-indexed security risk. Certain Client investments (including mutual funds or ETFs) may invest in inflation-indexed securities. Interest payments on inflation-indexed securities can be unpredictable and will vary as the principal and/or interest is periodically adjusted based on the rate of inflation. If the index measuring inflation falls, the interest payable on these securities will be reduced. The U.S. Treasury has guaranteed that in the event of a drop in prices, it would repay the par amount of its inflation-indexed securities. Inflation-indexed securities issued by corporations generally do not guarantee repayment of principal. Any increase in the principal amount of an inflation-indexed security will be considered taxable ordinary income, even though investors do not receive their principal until maturity.

Interest rate risk. Prices of debt securities tend to move inversely with changes in interest rates. Typically, a rise in rates will adversely affect the prices of these securities and, accordingly, the value of a Client’s investment. The longer the effective maturity and duration of a security, the more the value of such investment is likely to react to interest rates.

Indexing strategy risk. Indexing strategies do not attempt to manage market volatility, use defensive strategies or reduce the effects of any long-term periods of poor index performance. The correlation between strategy and index performance may be affected by a fund’s investment expenses and use of sampling techniques, changes in securities markets, changes in the composition of the index and the timing of purchases and sales. Additionally, as certain funds utilize futures and derivatives, Client’s should also be aware of the risks associated with those products.

Initial public offering (“IPO”) risk. Certain Client investments (including mutual funds or ETFs) may have exposure to securities purchased in IPOs. The prices of securities purchased in IPOs can be very volatile. The effect of IPOs on an investment’s performance depends on a variety of factors, including the number of IPOs the investment holds relative to the size of the investment and whether and to what extent a security purchased in an IPO appreciates or depreciates in value. Therefore, IPO investments may magnify the returns of an investment.

Issuer risk. The value of a security may decline for a number of reasons which directly relate to the issuer, such as management performance, financial leverage and reduced demand for the issuer’s products or services.

Limited diversification – correlation. Client portfolios may be concentrated in particular countries, industries, exchanges, strategies, types of investments, issuers, companies, or other shared characteristics. Any such concentration would magnify risks associated with the investments held in such portfolios, including the risk of significant losses. In general, less diversification will tend to expose the applicable Client to greater volatility and/or risk than would be the case with a more broadly diversified portfolio. Even if a particular Client’s

portfolio were diversified, however, there can be no assurance that such diversification would reduce volatility or risk.

Model investment portfolios recommended by Fusion may achieve returns that are not correlated with various market indices. Further, it is anticipated that certain investments in Clients' portfolios will experience returns that individually or in the aggregate are correlated (possibly highly) with various market indices or other strategies, including various equity, debt, or other markets around the world.

Moreover, certain of the strategies deployed by certain investments (including mutual funds or ETFs) may maintain unhedged exposure, whether intentional or unintentional, to various market movements, style factors, and other sources of risk, whether known or unknown, while other strategies deployed by certain investments (including mutual funds or ETFs) may have such unhedged exposures from time to time. Such sources of risk may include changes in current or future levels and/or volatility of interest rates, currency prices, commodity prices, sovereign credit spreads, corporate credit spreads, and equity and other markets, as well as correlations between any such risks.

Limited operating history. Fusion is a recently formed entity with no prior operating history, and Ethos.io only has a limited operating history. Fusion was created primarily for the purpose of offering and providing the investment advisory services described herein. Ethos.io was created primarily for the purpose of developing and operating the Ethos Platform. There can be no assurance that either Fusion or Ethos.io will accomplish their respective objectives. Changes in market circumstances, regulatory posture and other conditions may materially disrupt the business prospects of Ethos.io and Fusion.

Liquidity risk. When there is little or no active trading market for specific types of coins and securities, it can become more difficult to sell such coins or securities at or near their perceived value. In such a market, the value of such securities and the value of a Client's investment may fall dramatically. Some securities (including mutual funds or ETFs) that hold or trade financial instruments may be adversely affected by liquidity issues as they manage and rebalance their portfolios.

Market risk. The market value of a security may decline due to general market conditions that are not specifically related to a particular company, such as real or perceived adverse economic conditions, changes in the outlook for corporate earnings, changes in interest or currency rates or adverse investor sentiment generally. A security's market value also may decline because of factors that affect a particular industry or industries, such as labor shortages or increased production costs and competitive conditions within an industry.

Mortgage-related securities risk. Certain Client investments (including mutual funds or ETFs) may have exposure mortgage-related securities. Mortgage-related securities are complex derivative instruments, subject to credit, prepayment and extension risk, and may be more volatile, less liquid and more difficult to price accurately, than more traditional fixed-income securities. An investment is subject to the credit risk associated with these securities, including the market's perception of the creditworthiness of the issuing federal agency, if applicable, as well as the credit quality of the underlying assets. Although certain mortgage-related securities

are guaranteed as to the timely payment of interest and principal by a third party (such as a U.S. government agency or instrumentality with respect to government-related mortgage-backed securities) the market prices for such securities are not guaranteed and will fluctuate. Declining interest rates may result in the prepayment of higher yielding underlying mortgages and the reinvestment of proceeds at lower interest rates can reduce the an investment's potential price gain in response to falling interest rates, reduce the investment's yield or cause the relevant share price to fall (prepayment risk). Rising interest rates may result in a drop in prepayments of the underlying mortgages, which would increase the investment's sensitivity to rising interest rates and its potential for price declines (extension risk).

Municipal Bond Tax risk. Certain Client investments (including mutual funds or ETFs) may have exposure to municipal bonds. To be tax-exempt, municipal bonds generally must meet certain regulatory requirements. If any such municipal bond fails to meet these regulatory requirements, the interest received from an investment in such bonds will be taxable.

Municipal securities risk. Certain Client investments (including mutual funds or ETFs) may have exposure to municipal securities. The amount of public information available about municipal securities is generally less than that for corporate equities or bonds. Special factors, such as legislative changes and state and local economic and business developments, may adversely affect the yield and/or value of the investment's interest in municipal securities. Other factors include the general conditions of the municipal securities market, the size of the particular offering, the maturity of the obligation and the rating of the issue. Changes in economic, business or political conditions relating to a particular municipal project, municipality or state, territory or possession of the United States may have an impact on the investment's performance.

Order Execution Risk. Fusion is authorized by each Client to execute mutual fund and ETF transactions on such Client's behalf. Fusion executes mutual fund and ETF transactions through Apex Clearing Corporation as soon as reasonably practical after approval of the recommended portfolio or a determination with respect to required rebalancing or optimization. However, for numerous reasons there could be material delays in the amount of time it takes Fusion, or Apex Clearing Corporation, to execute a transaction. Any delays in Fusion or Apex Clearing Corporation executing transactions could reduce, perhaps materially, any profit earned by such Clients or could cause a material loss.

Mutual fund transactions will be executed at the next net asset value of the relevant fund calculated after the submission of the transaction to Apex Clearing Corporation. With respect to ETFs, Fusion generally executes transactions by placing market orders. A "market order" is an order to buy or sell an investment immediately at the best available current price. Because market orders are executed immediately (as opposed to an order that specifies a target price at which the security should be bought or sold and remains open for a longer period of time, during which the price of the security may or may not hit the target price) market orders bear inherent risks, particularly in times of high volatility and for investments that are thinly traded. This could result in Clients paying a higher purchase price or receiving a lower sale price when Fusion places market orders on a Client's behalf. It could also result in higher execution fees charged by Apex Clearing Corporation in handling these transactions. Fusion may, in its discretion use other order types and conditions (e.g., time-in-force), as appropriate, to achieve best execution.

With respect to Coins, delays in purchasing or selling transactions may result from delays in the Client initiating an order and transmitting the transaction request from its digital wallet through the Ethos Platform.

Operational Risk & Events. A Client's portfolio may suffer a loss arising from shortcomings or failures in internal processes, people or systems, or from external events. Operational risk can arise from many factors ranging from routine processing errors to potentially costly incidents related to, for example, major systems failures.

Trade errors and other operational mistakes ("**Operating Events**") occasionally may occur in connection with the Fusion's Client's Accounts. Fusion has policies and procedures that address identification and correction of Operating Events, consistent with applicable standards of care and client documentation. An Operating Event generally is compensable by Fusion to a Client when it is a mistake (whether an action or inaction) in which Fusion has, in Fusion's reasonable view, deviated from the applicable investment guidelines or the applicable standard of care in respect of a Client's Account, subject to the considerations set forth below.

Operating Events may include, but are not limited to: (i) the placement of orders (either purchases or sales) in excess of the amount of securities intended to trade for a Client's Account; (ii) the purchase (or sale) of a security when it should have been sold (or purchased); (iii) the purchase or sale of a security not intended for a Client's Account; (iv) the purchase or sale of a security contrary to applicable investment guidelines or restrictions; (v) incorrect allocations of trades; and (vi) transactions with a non-authorized counterparty. Operating Events can also occur in connection with other activities that are undertaken by Fusion and its affiliates, such as net asset value calculation, management fee calculations, calculations of carried interest or incentive fees, trade recording and settlement and other matters that are non-advisory in nature.

Fusion makes its determinations regarding Operating Events pursuant to its policies on a case-by-case basis, in its discretion, based on factors it considers reasonable, including regulatory requirements, contractual obligations, and business practices. Not all Operating Events will be considered compensable mistakes. Relevant factors Fusion considers when evaluating whether an Operating Event is compensable include, among others, the nature of the service being provided at the time of the event, specific applicable contractual and legal requirements and standards of care, whether an applicable investment objective or guideline was contravened, the nature of the Client's Investment Program, and the nature of the relevant circumstances.

Operating Events may result in gains or losses or could have no financial impact. Clients are entitled to retain any gain resulting from an Operating Event. Operating Events involving erroneous transactions in intermediary program accounts generally are corrected in accordance with the procedures established by the particular intermediary and/or custodian.

When Fusion determines that reimbursement by Fusion is appropriate, the Client will be compensated as determined in good faith by Fusion. Fusion will determine the amount to be reimbursed, if any, based on what it considers reasonable guidelines regarding these matters in light of all of the facts and circumstances related to the Operating Event. In general, compensation is expected to be limited to direct and actual losses, which may be calculated relative to comparable conforming investments, market factors and benchmarks and with

reference to related transactions and/or other factors Fusion considers relevant. Compensation generally will not include any amounts or measures that Fusion determines are speculative or uncertain.

Portfolio turnover risk. To the extent that a Client alters its risk tolerance frequently, such practice could produce higher transaction costs and taxable distributions and lower the Client's portfolio's after-tax performance.

Preferred stock risk. Certain Client investments (including mutual funds or ETFs) may invest in preferred stock. Preferred stock is a class of a capital stock that typically pays dividends at a specified rate. Preferred stock is generally senior to common stock, but subordinate to debt securities, with respect to the payment of dividends and on liquidation of the issuer. The market value of preferred stock generally decreases when interest rates rise and is also affected by the issuer's ability to make payments on the preferred stock.

Prepayment and extension risk. When interest rates fall, the principal on mortgage-backed and certain asset-backed securities may be prepaid. The loss of higher yielding underlying mortgages and the reinvestment of proceeds at lower interest rates can reduce an investment's potential price gain in response to falling interest rates, reducing the value the investment. When interest rates rise, the effective duration of an investment's mortgage-related and other asset-backed securities may lengthen due to a drop in prepayments of the underlying mortgages or other assets. This is known as extension risk and would increase the investment's sensitivity to rising interest rates and its potential for price declines.

Quantitative model risk. Fusion intends to rely on quantitative models that utilize mathematical and statistical formulas designed to present a combination of positions that reflect forward-looking estimates of return and risk to a Client. There can be no assurance that a particular quantitative model has been designed to appropriately account for all variables that may affect the performance of a particular investment strategy. Any errors in the design, input or implementation of the quantitative models used by Fusion could have a material adverse effect on the performance of a particular investment strategy. Due to the foregoing risks and the inherent complexities in quantitative models, it may be very difficult or impossible to detect the source of any weakness or failing in a quantitative model before any losses are incurred.

Regulatory Changes Risk. It is possible that changes in applicable laws and regulations may affect Fusion's operations. In addition, a number of substantial regulatory changes are pending or in the process of changing in certain markets. However, the consequences of additional regulation on the liquidity and the functioning of the markets in which Fusion and/or its Clients trade cannot be predicted and may materially diminish the profitability of Clients' investments. Further, pursuant to the enterprise agreement between Fusion and Ethos.io (as described in detail below), Fusion receives a number of services from Ethos.io, via the Ethos Platform. Consequently, any changes in applicable laws that negatively impact Ethos.io and/or the Ethos Platform would likely have a negative effect on Fusion's operations and/or business, and may materially diminish the profitability of Clients' investments.

Reliance on Data. Fusion's methods are highly reliant on data from third-party and other external sources. Fusion will use its discretion to determine what data to gather with respect to

any strategy or method, which may have an impact on trading decisions. In addition, due to the automated nature of such data gathering and the fact that much of this data comes from third-party sources, not all desired and/or relevant data will be available to, or processed by, Fusion at all times. There is no guarantee that any specific data or type of data will be utilized in generating or making trading decisions on behalf of the clients, nor is there any guarantee that the data actually utilized in making investment and trading decisions on behalf of clients will be (i) the most accurate data available or (ii) free of errors.

Reliance on Technology & Recovery Measures. Fusion's investment activities, including the Fusion Application, and investment strategies are dependent upon various computer and telecommunications technologies, many of which are provided by or are dependent upon third parties such as data feed, data center, telecommunications, or utility providers. The successful deployment, implementation, and/or operation of such activities and strategies, and various other critical activities of Fusion on behalf of its Clients, could be severely compromised by system or component failure, telecommunications failure, power loss, a software-related "system crash," unauthorized system access or use (such as "hacking"), computer viruses and similar programs, fire or water damage, human errors in using or accessing relevant systems, or various other events or circumstances. Such events or circumstances may affect Fusion directly, including the Fusion Application, and/or may affect one or more third parties that provide services to Fusion and/or its Clients.

It is not possible to provide comprehensive and foolproof protection against all such events, and no assurance can be given about the ability of applicable third parties to continue providing their services. Any event that interrupts such computer and/or telecommunications systems or operations could have a material adverse effect on Fusion's Clients, including by preventing Fusion from trading, modifying, liquidating, and/or monitoring its Clients' investments. Moreover, any unauthorized access to the information systems belonging to Fusion or certain third parties could result in the loss, disclosure, or improper use of information relating to investments and/or personally identifiable information of Fusion's Clients; any such loss, disclosure, or use could have a material adverse effect on such Clients.

Fusion maintains back-up electronic books and records at a third-party party disaster recovery site, which is a fully operational data center facility. In the case of events that interrupt Fusion's computer and/or telecommunications systems or operations, Fusion hopes to resume trading, modifying, liquidating, and/or monitoring its Clients' investments relatively promptly, subject to any circumstances that are outside of Fusion's control. In the case of severe business disruptions (e.g., regional power outage or loss of personnel), Fusion may not resume such activities for one or more business days because (among other things) such resumption is dependent on other critical business constituents, such as brokers and exchanges, and on the nature of the disruption. Although the foregoing reflects Fusion's objectives, designs, and/or plans, no assurance can be given that these objectives, designs, and/or plans will be realized, or that, in particular, Fusion would be able to resume operations following a business disruption, or that any such disruption would not have a material adverse effect on Fusion's Clients.

Social investment risk. Socially responsible and sustainability investment criteria may limit the number of investment opportunities available to a Client and/or investment. As a result, at times

a portfolio's or investment's returns, as applicable, may be lower than those portfolios or investments that are not subject to such special investment considerations.

Stock investing risk. Stocks generally fluctuate more in value than bonds and may decline significantly over short time periods. There is the chance that stock prices overall will decline because stock markets tend to move in cycles, with periods of rising prices and falling prices. The market value of a stock may decline due to general market conditions that are not related to the particular company, such as real or perceived adverse economic conditions, changes in the outlook for corporate earnings, changes in interest or currency rates or adverse investor sentiment generally. A stock's market value also may decline because of factors that affect a particular industry, such as labor shortages or increased production costs and competitive conditions within an industry or factors that affect a particular company, such as management performance, financial leverage and reduced demand for the company's products or services.

Stock selection risk. Certain indexing strategies employed by potential Client investments (including mutual funds or ETFs), including those associated with the deployment of smart beta strategies, hold fewer securities than the applicable index. Owning fewer securities and having the ability to purchase companies not listed in the index can cause the strategy to underperform the index.

Systemic risk. World events and/or the activities of one or more large participants in the financial markets and/or other events or activities of others could result in a temporary systemic breakdown in the normal operation of financial markets. Such events could result in a Client's portfolio losing substantial value caused predominantly by liquidity and counterparty issues which could result in the Client incurring substantial losses.

Trading Limitations. For all securities, including options, listed on a public exchange, the exchange generally has the right to suspend or limit trading under certain circumstances. These suspensions or limits could render certain strategies difficult to execute or continue and subject a Client's portfolio to loss.

Valuation Risk. While Fusion or the Custodian values the securities held in Client accounts based on reasonably available exchange-traded security data, Fusion or the Custodian may from time to time receive, display, or use inaccurate data, which could adversely affect security valuations, transaction size for purchases or sales, and/or the resulting advisory fees paid by a Client to Fusion.

Volatility and Correlation risk. The process that Fusion uses when selecting assets to include in the investment options presented to Clients is based in part on historical performance and volatility of returns in order to estimate expected returns and risk. However, it is possible that different or unrelated asset classes may exhibit similar price changes in similar directions which may adversely affect a Client, and such movements may become more acute in times of market upheaval, high volatility, or limited liquidity. Past performance is no guarantee of future results, and any historical returns, expected returns, risk forecasts, or probability projections may not reflect actual future performance or realized risk.

Additionally, although the prices of equity securities and fixed income securities, as well as other asset classes, often rise and fall at different times so that a fall in the price of one may be offset by a rise in the price of the other, in down markets the prices of these securities and asset classes can also fall in tandem.

Item 9: Disciplinary Information

Registered investment advisers are required in this item to disclose all material facts regarding any legal or disciplinary events that would be material to a Client's evaluation of Fusion or the integrity of its management.

Fusion does not have any information to disclose concerning Fusion or any of its management persons. Fusion adheres to high ethical standards for all employees.

Item 10: Other Financial Industry Activities and Affiliations

Fusion is a wholly-owned subsidiary of Fusion US Holdings, Inc., a Delaware Corporation (“**Fusion HoldCo**”).

Enterprise Agreement with Ethos.io

Ethos.io is the owner and operator of the Ethos Platform, which consists of users interested and/or knowledgeable of blockchain technology and cryptocurrencies. The Ethos Platform is an online digital financial ecosystem with a dynamic social network and marketplace for consumers, financial professionals and firms, merchants and developers interested in financial and investment information, products, and services, including those related to blockchain and cryptocurrencies. Fusion’s services are offered to users of the Ethos Platform through co-branded pages. Fusion interacts with its Clients primarily through the Fusion Application accessible directly on the Ethos Platform. The advisory services are delivered solely through the Fusion Application.

Ethos.io is an affiliate of Fusion HoldCo, and Fusion, by virtue of being under common ownership and control. Specifically, the controlling interests of both Ethos.io and Fusion HoldCo are held by the same individuals. Ethos.io and Fusion may jointly market Fusion’s services to the users of the Ethos Platform. Fusion’s business model is dependent on Ethos.io successfully attracting users to the Ethos Platform.

As the Ethos Platform is a financial ecosystem, Fusion pursuant to an enterprise agreement entered into between Fusion and Ethos.io (the “**Enterprise Agreement**”) relies on Ethos.io for certain services. Among other things, under the terms of the Enterprise Agreement, Ethos.io provides Fusion with the following services:

- Software development;
- Technology services, including application programming interfaces (“**APIs**”);
- Shared office space;
- Joint contracts with certain vendors, including contractors and consultants;
- Provision of pricing and financial data;
- Joint marketing on the Ethos Platform;
- Price discovery and execution venue connectivity for digital assets; and
- Access to the Ethos Platform’s internal social network.

Under the terms of the Enterprise Agreement, Fusion will compensate Ethos.io for services provided according to terms established under the agreement.

The Ethos Platform operates, itself, with its own utility Token (the “**ETHOS Token**”), which is a mode of payment needed by customers including consumers, businesses and developers to leverage certain technology and software services, and access and interact on the Ethos Platform. Fusion will not provide advice with respect to investment in the ETHOS Token but may at its discretion accept the ETHOS Token directly, or indirectly, as a mode of payment for services.

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

Fusion has adopted a Code of Ethics for all supervised persons of the firm describing its standards of business conduct and fiduciary duty to its Clients. The Code of Ethics includes provisions relating to the confidentiality of Client information, a prohibition on insider trading, a prohibition on rumor mongering, restrictions on the acceptance of significant gifts, the reporting of certain gifts and business entertainment items, and personal securities trading procedures. All of Fusion's supervised persons must acknowledge the terms of the Code of Ethics annually, or as amended. The following acts are prohibited:

- Employing any device, scheme or artifice to defraud;
- Making any untrue statement of a material fact;
- Omitting to state a material fact necessary in order to make a statement, in light of the circumstances under which it is made, not misleading;
- Engaging in any fraudulent or deceitful act, practice or course of business;
- Engaging in any manipulative practices; and
- Participating in Client accounts.

Fusion will provide Clients and prospective Clients with a copy of the firm's Code of Ethics upon request.

Interest in Client Transactions

Fusion may recommend mutual funds, ETFs, and Coins to Clients that individuals associated with Fusion, which may or may not also be Fusion Clients, have purchased or sold for their own accounts. In addition, any Fusion-related person may have an interest or position in certain securities or cryptocurrencies that may also be recommended to a Client. In such instances, such related persons may have a financial incentive to buy or sell such securities or cryptocurrencies for their own account based upon knowledge gained as a Fusion-related person (e.g., anticipated client trading activity). Fusion believes that this incentive is limited because Fusion generally recommends highly liquid assets to its Clients and anticipates that client activity in such assets is unlikely to materially impact such assets' prices. Fusion's policy is to permit trading by Fusion-related persons that are Fusion Clients only during Fusions trading windows when buying and selling for all Client Accounts. This policy is meant to reduce the likelihood that Fusion-related persons are able to benefit as a result of transactions placed on behalf of Clients' Accounts. In no case shall Fusion put its own interests ahead of the interests of Clients. Transactions will be executed at an average price and will be allocated among Fusion's Clients in proportion to the purchase and sale orders placed for each Client Account on any given day during the relevant trading window as further described herein.

Fusion has established restrictions in order to provide that it adheres to its fiduciary responsibilities to Clients. No mutual funds, ETFs, Coins or other assets for Fusion-related

individuals' personal portfolios shall be bought or sold where this decision is substantially derived, in whole or in part, from the role as supervised persons of Fusion, unless the information is also available to the investing public on reasonable inquiry.

Fusion has a personal securities transaction policy in place to monitor the personal securities transactions and securities holdings of certain of its employees. The policy requires that any person within the firm that has access to investment data of Clients must preclear any trades of securities available through the Fusion Application prior to trading, unless the trade is executed through the Fusion Application. Because trades through the Fusion Application are aggregated and executed simultaneously, there is limited opportunity for employees of Fusion to obtain a benefit from their knowledge.

In addition, any of these employees with access to investment data of Clients must provide the Chief Compliance Officer or his/her designee with (i) a written report of their current securities holdings within ten days after gaining access, (ii) quarterly transaction reports, and (iii) annual reports thereafter on a date Fusion selects. In addition, employees with access to investment data of Clients must receive pre-approval from the Chief Compliance Officer if participating in limited offerings and/or initial public offerings.

Item 12: Brokerage Practices

Custodian and Broker Selection

In recommending a custodian/broker-dealer, Fusion looks for companies that offer relatively low transaction fees, access to desired securities, trading platforms, and support services. Fusion's use of Apex Clearing Corporation as the Custodian and broker-dealer for all Client Accounts is based on Fusion's review of Apex Clearing Corporation's costs and capabilities.

Apex Clearing Corporation may provide benefits to Fusion, such as software and other technology that: (i) provide access to Client account data (such as trade confirmations and account statements); (ii) facilitate trade execution and allocate aggregated trade orders for multiple Client Accounts; (iii) provide pricing and other market data; (iv) facilitate payment of fees from its Clients' Accounts; and (v) assist with back-office functions, recordkeeping and Client reporting.

Other services may include, but are not limited to, performance reporting, publications, access to educational conferences, roundtables and webinars, practice management resources, access to consultants and other third-party service providers who provide a wide array of business related services and technology with whom Fusion may contract directly.

Best Execution

Fusion has an obligation to seek best execution for its Clients. In seeking best execution, the determinative factor is not the lowest possible commission cost but whether the transaction represents the best qualitative execution, taking into consideration the full range of a broker-dealer's services, including the value of research provided, execution capability, commission rates, reputation and responsiveness. Fusion has determined to execute all mutual fund and ETF transactions through the Apex Clearing Corporation platform based on its review of Apex Clearing Corporation's capabilities, fees, and overall services.

"Best execution" includes the amount of broker-dealer fees which will be charged to the Client's Account in connection with any trade, but it may also include other benefits. As such, Fusion has retained Apex Clearing Corporation as the broker-dealer with respect to each Fusion Account even though its broker-dealer fees are not the lowest fees chargeable for such transaction.

With respect to Coins, Fusion will periodically perform a review of broker-dealers, or execution venues or service providers for digital assets, to confirm best execution of transactions and fair value of commissions. Fusion may aggregate digital asset sale and purchase orders for a Client with similar orders being made contemporaneously for other Clients. In such cases, the Client transactions will be executed at the average price. As a result, however, the price may be less favorable to the Client than it would be if similar transactions were not being executed concurrently for other Clients. Additionally, in certain instances, Clients may pay a commission on transactions in excess of the amount of commission another broker-dealer would have charged.

Brokerage Client Referrals

Fusion does not direct securities transactions to any broker-dealer in exchange for referral of Clients.

Trading

Fusion will direct all mutual fund and ETF transactions to Apex Clearing Corporation's platform and all Coin transactions to pre-approved digital asset execution venues or service providers. Fusion shall have the authority:

- To determine and modify from time to time which mutual funds, ETFs, and Coins may be recommended through the Fusion Application;
- To determine the timing of purchases of mutual funds, ETFs, and Coins in relation to deposits;
- To determine the timing of sales of mutual funds, ETFs, and Coins held in each Fusion account and withdrawals in relation to requests for withdrawals; and
- To determine the exact time to trade mutual funds, ETFs, and Coins based on buy and sell requests by Clients.

Fusion anticipates (but is not obligated to) combine or "batch" orders to obtain best execution, to negotiate more favorable commission rates, or to allocate equitably among the Clients differences in prices and commissions or other transaction costs that might have been obtained had such orders been placed independently. Under this procedure, transactions will be executed at an average price and will be allocated among the Clients in proportion to the purchase and sale orders placed for each Client account on any given day during the relevant trading window. If Fusion cannot obtain execution of all the combined orders at prices or for transactions costs that Fusion believes are desirable, Fusion will allocate the securities Fusion does buy or sell as part of the combined orders by following Fusion's order allocation procedures.

Orders are placed by users via the Fusion Application. There are no other means for a user to place orders. All orders placed by Fusion Application users are queued up and executed in the designated trading windows. Fusion trading windows only operate in normal market hours (*i.e.*, Monday to Friday excluding market holidays). Generally, there are two trading windows per day.

Generally, orders from Clients are combined. Then, at the start of each respective trading window, orders that have been approved are released to be executed.

All Client orders are executed through Fusion's average price account which allocates all executions to the Client's individual Fusion Application accounts with any residual (due to fractional shares) being allocated to the Fusion Application fractional facilitation account.

Fusion reserves the right, at any time and without notice, to delay or manage the trading of Client orders if it determines it is appropriate and consistent with its obligations under the Clients' Agreements.

Item 13: Review of Accounts

Fusion provides all Clients with continuous access via the Fusion Application to real-time reporting information about account statuses, securities positions, and balances. Clients may also receive periodic e-mail communications describing Account performance, providing account information, updating product features, and reminding Clients to update their investment profile.

Fusion reviews each Client's Account in connection with the initial recommendation of a model investment portfolio. Fusion also conducts reviews when material changes may have occurred to a Client's portfolio or investment objectives. Limited reviews of Accounts are conducted through the Fusion Application on a periodic basis, including providing automated alerts. Clients are encouraged to update the application should there be a change in their objectives or circumstances.

Fusion's Portfolio Team regularly reviews the Accounts of Clients and utilizes its algorithms to periodically rebalance each portfolio with the intent to maintain the Client's desired risk profile and the approved asset allocation. On an annual basis, Fusion contacts Clients to remind Client's to review and update the information previously provided answers as part of the Client Questionnaire.

Clients are strongly encouraged to conduct their own analysis of the methodologies employed by Fusion in making its recommendations. The fact that a recommendation is generated by Fusion should not be interpreted as a guarantee of future performance. Investing in securities and cryptocurrencies involves risk of loss.

Item 14: Client Referrals and Other Compensation

Fusion provides advisory services solely to users of the Ethos Platform. Users of the Ethos Platform are made aware of the availability of Fusion to provide advisory services through the Ethos Platform.

Fusion does not make any payment or provide any other economic benefit to Ethos for making its advisory services to users of the Ethos Platform. The arrangement with Ethos is described more fully in *Item 10 – Other Financial Industry Activities and Affiliations*.

Fusion does not have any other arrangements, oral or in writing, whereby it is paid cash or receives some economic benefit (including commissions, equipment or non-research services) from a non-client in connection with giving advice to clients.

Item 15: Custody

Fusion does not directly maintain custody of any Client funds, securities or coins. Each Client is required to maintain their account with an unaffiliated, qualified custodian, Apex Clearing Corporation or through their own digital wallet. Clients will receive quarterly account statements from Apex Clearing Corporation and a aggregated report of their total portfolio holdings from Fusion to encompass coin positions held directly by each client in their own digital wallets.

Item 16: Investment Discretion

Fusion generally will not have discretion with respect to the selection of the Investment Program for a Client. Fusion will present the Client with a recommendation based on information received from the Client through the Client Questionnaire and the Client will maintain full discretion as to whether to accept, reject or modify the recommendation. In connection with providing Account optimization and rebalancing services for Client Accounts, Fusion will have discretion as to the timing and execution of the rebalancing of Client portfolios in accordance with the Client's approved Investment Program. Other than in connection with such optimization and rebalancing services, Fusion will not execute any transaction for a Client Account on a discretionary basis. Clients may choose to implement any advice received from Fusion in their sole discretion through the Fusion Application.

Item 17: Voting Client Securities

As a matter of policy and practice, Fusion does not have any authority to and does not vote proxies on behalf of Clients. Clients retain the responsibility for receiving and voting proxies for any and all securities maintained in their portfolios. Apex Clearing Corporation will forward the Client copies of all proxies and shareholder communications relating to the securities in a Client's Account. Further, Fusion will not be required to take any action or render any advice with respect to any securities held in a Client's Account, which are named in or subject to class action lawsuits. Fusion will, however, forward to the Client any information Fusion receives regarding class action legal matters involving any security held in the account.

Item 18: Financial Information

In certain circumstances, registered investment advisers are required to provide Clients with financial information or disclosures about their financial condition in this Item. Fusion has no financial commitment that impairs its ability to meet contractual and fiduciary commitments to its Clients and has never been the subject of a bankruptcy proceeding.