

**Item 1 - Cover Page**

**RobustWealth, Inc.**  
**Form ADV Part 2A**  
**Firm Brochure**

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**March 30, 2020**

This brochure ("Brochure") provides information about the qualifications and business practices of RobustWealth, Inc. ("RobustWealth" or the "Firm"), a registered investment adviser (CRD# 269919). The information in this Brochure has not been approved or verified by the SEC or by any state securities authority. Registration does not imply a certain level of skill or training.

If you have any questions about the contents of this Brochure, please contact us at 609.483.8101 or [service@robustwealth.com](mailto:service@robustwealth.com).

Additional information about RobustWealth, Inc. also is available on the United States Securities and Exchange Commission ("SEC")'s website at [www.adviserinfo.sec.gov](http://www.adviserinfo.sec.gov).

## **Item 2 - Material Changes**

RobustWealth's last annual update to Part 2A of Form ADV was filed March 28, 2019.

Item 4 – RobustWealth no longer provides discretionary investment management services directly to individuals and high net worth individuals as their primary investment advisor. RobustWealth continues to focus on its subadvisory business and provides discretionary investment management services to clients of third party SEC-registered investment advisers, financial institutions and dual registered broker-dealers ("Third Party Advisors" or "TPA") pursuant to RobustWealth's sub-advisory program (the "TPA Program").

Item 10 – Updates were made to information regarding RobustWealth's US and non-US affiliates and RobustWealth's other financial industry activities.

Additional information about RobustWealth's affiliated investment advisors is also available via the SEC's website [www.adviserinfo.sec.gov](http://www.adviserinfo.sec.gov).

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## **Item 4 - Business**

### **A. Ownership of the Firm**

RobustWealth was formed as a limited liability company in the State of Delaware on May 8, 2015 and has been registered as an investment advisory firm with the SEC since May 18, 2017. Effective December 13, 2016 RobustWealth changed from a limited liability company to a Delaware corporation. Michael Kerins is RobustWealth's Founder and Chief Executive Officer.

On July 2, 2018 RobustWealth was acquired by Principal Innovations, Inc. ("PII"), a holding company that is majority owned by Principal Financial Services, Inc. ("PFSI"). PFSI is a wholly owned subsidiary of Principal Financial Group, Inc., a publicly traded company (NASDAQ Symbol: PFG). Both RobustWealth and PFSI are under common control of PFG.

### **B. Summary of RobustWealth's Services**

RobustWealth is an investment advisory firm that provides limited investment advice and portfolio management services on a continuing basis through digital technology solutions with the assistance of proprietary algorithms to clients, who are third party SEC-registered investment advisers, financial institutions and dual registered broker-dealers ("Third Party Advisors") pursuant to RobustWealth's sub-advisory program (the "TPA Program"), described in the following section. RobustWealth's services are provided via RobustWealth's proprietary platform located at [www.ADVRW.com](http://www.ADVRW.com) (the "Platform"). Additional information about RobustWealth's products and services is provided on [www.robustwealth.com](http://www.robustwealth.com). RobustWealth encourages you to read its Form ADV Part 1 available at <http://www.adviserinfo.sec.gov> for additional information.

### **Third Party Advisor Subadvisory Program**

RobustWealth acts as a limited sub-advisor to Third Party Advisors participating in its TPA Program. Such Third Party Advisors, in turn, act as investment advisers to individual (natural person) investors and entities (the "TPA End Users") investing through such Third Party Advisors in the TPA Program. Pursuant to the TPA Program, a Third Party Advisor delegates discretionary trading authority to the Firm with respect to a TPA End User's account in the TPA Program (the "Program Account").

Program Accounts elect to participate on either a wrap fee basis or non-wrap fee basis. Third Party Advisors direct the Firm to deduct the Firm's fees and/or their fees directly from Program Accounts or Third Party Advisors pay RobustWealth's fees directly to the Firm. The investment process as outlined in Item 8 is applicable to the TPA Program.

Pursuant to the TPA Program, the Third Party Advisor contracts with RobustWealth as a limited subadvisor to handle some or all of the following:

- 1) Trading: Buying, selling, exchanging, converting, and effecting spread, hold, and transactions for and with respect to securities.

- 2) Strategic Asset Allocation: Using long-term return and risk expectations in an optimization to determine the long-term asset allocation consistent with the TPA End User's stated investment objective(s).
- 3) Portfolio Construction: The process of investing across a range of assets that work together based on individual risk and return characteristics of the assets.
- 4) Implementation: Using securities such as stocks, ETFs, and mutual funds to gain exposure to desired asset classes or factors, which can include margin (leverage).
- 5) Strategy Selection: Selecting one or more investment strategies comprising the rules, behaviors and procedures, designed to guide the construction of a portfolio.
- 6) Risk Tolerance: Assessing and balancing of a TPA End User's portfolio based on individual needs such as growth and tolerance for risk.
- 7) Intelligent Rebalancing: Considering potential tax consequences, trading costs and rebalancing costs when rebalancing a portfolio.

To commence participation in the TPA Program, an investment advisor representative of the Third Party Advisor identifies each TPA End User's investment objective based on the TPA End User's self-identified information. This is typically accomplished when the TPA End User completes an automated risk tolerance questionnaire. Thereafter, investment assets are allocated to investment model(s) created or selected by the Third Party Advisor consistent with the TPA End User's designated investment objective(s). Once allocated, RobustWealth provides ongoing monitoring, trading and review of the asset allocation as compared to the TPA End User's investment objective(s) and the investment model created or selected for the TPA End User by the Third Party Advisor.

Third Party Advisors may select from a variety of investment models available in the TPA Program, including (a) models created and maintained by the Third Party Advisor, (b) models created and maintained by RobustWealth or an affiliate of RobustWealth, and (c) third party model portfolios created by other financial intermediaries. It is important for Third Party Advisors and TPA End Users to be aware that the Firm's or a third party's model portfolio can include funds sponsored by the model creator or an affiliate thereof resulting in a potential conflict of interest. TPA End Users are encouraged to review the Form ADV of their respective Third Party Advisors who are SEC registered advisers or for other advisers, their disclosures and contract materials.

RobustWealth endeavors to promptly update models on its Platform upon receipt of updates from third party model creators that make models available for use by Third Party Advisors. Updated models are generally available for use on the following trading day. However, updates to model portfolios provided to the Firm from third party model creators for use in the TPA Program can be subject to delays, including processing delays.

When providing investment advice and portfolio management services, RobustWealth limits the types of investments to exchange listed securities, Exchange Traded Funds (“ETFs”) and mutual funds. At the present time, RobustWealth does not trade over the counter (OTC) securities, options and fixed income securities; however, it may do so upon request from a Third Party Advisor on a case by case basis. Therefore, RobustWealth reserves the right to review securities added to target model portfolios on its platform by Third Party Advisors, and may approve or reject them.

### **Third Party Advisor Obligations**

In performing its services, RobustWealth is not required to, and does not, verify information received from Third Party Advisors on behalf of TPA End Users and is expressly authorized by Third Party Advisor to rely thereon. Moreover, it remains the responsibility of a Third Party Advisor to promptly notify RobustWealth if there is any change in a TPA End User’s financial situation or investment objective(s).

### **Planning and Non-Investment Consulting/Implementation Services**

In addition to its primary business as a limited subadvisor, RobustWealth provides on-line non-downloadable financial advisory and consultancy software for use by Third Party Advisors for the provision of securities trading and investing services for others via the Internet. The software is used by Third Party Advisors to aid them in creating personalized investment strategies for TPA End Users. This technology-based proprietary SaaS platform and related support services are available to Third Party Advisors for a fee through a Master Subscription Agreement separate from the Firm’s subadvisory agreement.

To the extent requested by a Third Party Advisor, RobustWealth may recommend the services of other professionals for certain non-investment implementation purposes (i.e. attorneys, accountants, insurance, etc.). The Third Party Advisor is under no obligation to engage the services of any such recommended professional. The Third Party Advisor retains absolute discretion over all such implementation decisions and is free to accept or reject any recommendation from RobustWealth. If the Third Party Advisor engages any such recommended professional, and a dispute arises relative to the engagement, the Third Party Advisor agrees to seek recourse exclusively from and against the engaged professional.

### **Account Restrictions**

TPA End Users may request reasonable restrictions on the management of their Program Accounts. Examples of restrictions could include exclusion of certain securities from a Program Account. To accommodate restrictions, customized models are created through the Platform by Third Party Advisors for the TPA End Users that will not include the restricted securities. RobustWealth trains Third Party Advisors to effectively use the Platform to construct portfolios to accommodate TPA End Users’ reasonable restrictions. RobustWealth’s Advisor Services Team is available to assist Third Party Advisors with questions.

Performance results of restricted accounts will differ from performance results of accounts without restrictions that are invested in the same model portfolios. This may result in accounts with restrictions having a lower rate of return.

### **Share Class Selection**

Although mutual fund companies typically offer multiple share classes of each mutual fund with varying levels of fees and expenses, RobustWealth and its affiliates and third party model providers choose a single share class of each mutual fund in the models available through the Platform. RobustWealth and its affiliates generally selects investor class shares for the funds in its models, because investor class shares generally have the lowest expense ratios. An expense ratio is the annual fee that all mutual funds or ETFs charge their shareholders. It expresses the percentage of assets deducted each fiscal year for fund expenses, including management fees, administrative fees, operating costs, and all other fees and expenses incurred by the fund. TPA End Users bear a proportionate share of each fund's expenses, including investment management fees, distribution, administration, transfer agency, shareholder services and other fees as applicable. Third Party Advisors and model providers other than RobustWealth and its affiliates are responsible for share class selection in their models. RobustWealth encourages Third Party Advisors to refer to the prospectus for those securities for expense information.

### **C. Assets Under Management**

RobustWealth has \$844,355,294 in regulatory assets under management as of December 31, 2019. These assets consist of \$109,964,667 in regulatory assets under management on a discretionary basis and \$734,390,627 in regulatory assets under management on a non-discretionary basis.

## **Item 5 - Fees and Compensation**

### **A. Fees**

Specific annual investment subadvisory fees may vary based upon several factors, including but not limited to: the level and scope of services required, anticipated future additional assets, related accounts, account composition, the dollar amount of assets under management, anticipated future earning capacity, and negotiations with the Third Party Advisor. Fees are subject to negotiation and any minimum fees may be waived in RobustWealth's sole discretion.

RobustWealth believes that its annual investment subadvisory fee is reasonable in relation to: (1) the advisory services provided under the applicable subadvisor agreement; and (2) the fees charged by other investment advisers offering similar services/programs. However, RobustWealth's annual subadvisory fee may be higher than that charged by other investment advisers offering similar services/programs.

RobustWealth's subadvisory fee is calculated daily and charged quarterly in arrears unless agreed to otherwise in writing. RobustWealth's standard annual investment subadvisory fee is based upon a percentage of the market value of the assets under management, payable by TPA End Users or Third Party Advisors as follows:

- with respect to Program Accounts electing to participate in the TPA Program on a wrap fee basis, 0.30% calculated on a daily basis; or
- with respect to Program Accounts electing to participate in the TPA Program on a non-wrap fee basis, 0.25% calculated on a daily basis.

If RobustWealth is unable to deduct the fee from the Program Account, then the Third Party Advisor will be directly responsible for the fee.

Each Third Party Advisor is subject to a minimum quarterly fee of \$5,000 and a monthly fee of \$20 for each account for either subadvisory or platform services depending upon unique Client circumstances. The Firm may waive or reduce minimum fees, including on a case by case basis, within its sole discretion.

Third Party Advisors may have RobustWealth's subadvisory fees deducted from their TPA End User's custodial account. The applicable Third Party Advisor's agreement with the TPA End User and the applicable custodial/clearing agreement authorizes the custodian to debit the account for the amount of RobustWealth's subadvisory fee and to directly remit that fee to RobustWealth in compliance with regulatory procedures. If a Third Party Advisor instructs RobustWealth to bill him or her directly for RobustWealth's subadvisory services, payment is due upon receipt of RobustWealth's invoice.

Third Party Advisors' fees are separate from RobustWealth's subadvisory fee and the amount of Third Party Advisors' fees is not set or supervised by RobustWealth. Through the Platform, Third Party Advisor fees can be calculated on a daily, weekly, monthly, quarterly or annual basis using the end-of-day market value of the TPA End User's assets under management. Third Party Advisors can also charge TPA End Users fixed fees. Excluding RobustWealth's subadvisory fee, a Third Party Advisor may arrange to deduct TPA End User fees weekly, monthly, or quarterly in advance or in arrears utilizing the market value as of the last day of the applicable billing period. If sufficient cash is not available to pay the fees from the TPA End User's account, then securities can be liquidated at RobustWealth's sole discretion to generate cash.

As discussed in Item 12, RobustWealth recommends that Third Party Advisors select Apex Clearing Corporation ("Apex") or TD Ameritrade Institutional ("TDAI") to serve as the broker-dealer/custodian for TPA End User investment management assets. Broker-dealers such as Apex or TDAI charge their clients brokerage commissions and/or transaction fees for effecting certain securities transactions (i.e., transaction fees are charged for certain no-load mutual funds and commissions are charged for certain equity transactions). In addition to RobustWealth's investment subadvisory fee, brokerage commissions and/or transaction fees, and Third Party Advisor fees, TPA End Users will also incur, relative to all mutual fund



and ETF purchases, charges imposed at the mutual fund and ETF level (e.g., management fees and other fund expenses).

Neither RobustWealth nor its representatives accept compensation from the sale of securities or other investment products.

### **Fee Waivers**

A Program Account may include mutual funds or ETFs for which an affiliate of RobustWealth serves as a fund distributor and/or an investment adviser (the “Affiliated Funds”), whether through a RobustWealth model or a model independently created by a Third Party Advisor. The Firm has conflicts of interest when providing its services to TPA End Users by trading in Affiliated Funds from which the Firm’s affiliate(s) receive fees and/or compensation. For portfolios subject to the Employee Retirement Income Security Act of 1974, as amended (“ERISA”) or Section 4975 of the Internal Revenue Code of 1986, as amended (the “Code”), RobustWealth does not charge its subadvisory fee on the assets in a Program Account in Affiliated Funds or the Firm otherwise complies with an exemption from the prohibited transaction rules in ERISA and Code Section 4975. RobustWealth may also, in its sole discretion, waive fees for TPA End Users not subject to ERISA or Code Section 4975.

### **B. Other Account Fees**

Except with respect to TPA End Users participating in the TPA Program on a wrap fee basis, TPA End Users are responsible for brokerage and custodial fees.

In addition to brokerage and custodial fees, all TPA End Users are responsible for administrative costs and expenses incurred through their brokerage and custodial arrangements. Administrative fees can include, but are not limited to, account closing charges, wire transfer or wire recall charges, check drafts, returned checks, stop payment notices, copies of checks, ACH notice corrections, or other customary banking charges, postage and handling for paper confirms, statements and tax forms, and incoming and outgoing ACATs transfers. Depending upon the broker-dealer or custodian, these administrative fees can be charged separately or TPA End Users may be charged annual administration fees.

The issuer of some of the securities or products purchased for TPA End Users, such as ETFs, mutual funds or other similar financial products, can charge product fees that affect TPA End users. Although RobustWealth does not charge these fees to TPA End Users, RobustWealth may benefit indirectly from any such fees charged by its affiliates that are issuers of securities or products purchased for TPA End Users. A mutual fund or ETF typically includes embedded expenses that can reduce the mutual fund’s or ETF’s net asset value. These expenses directly affect the mutual fund’s or ETF’s performance and indirectly affect a TPA End User’s portfolio performance or an index benchmark comparison. Third Party Advisors and TPA End Users should review the prospectus of a mutual fund, ETF or other similar financial product to learn more about how it applies fees and expenses.

## **Item 6 - Performance-Based Fees and Side-by-Side Management**

Neither RobustWealth nor any supervised person of RobustWealth accepts performance-based fees.

## **Item 7 - Types of Clients**

RobustWealth's clients, defined as Third Party Advisors in Item 4 B., are SEC-registered investment advisers, financial institutions and dual registered broker-dealers. Third Party Advisors are expressly authorized by their clients, referred to as TPA End Users, to hire RobustWealth as a limited subadvisor. RobustWealth's TPA End Users may also include:

- Individuals
- High net-worth individuals
- Corporations and other business entities
- Fiduciaries of SIMPLE plans

RobustWealth's standard minimum asset level is \$25,000 for investment subadvisory services. However, RobustWealth, in its sole discretion, may reduce or waive this minimum asset level on a case by case basis.

## **Item 8 - Methods of Analysis, Investment Strategies and Risk of Loss**

RobustWealth's Platform was designed to aid in the investment process to help match TPA End User's risk profile and objectives. Below are actions RobustWealth takes in its role as a limited subadvisor to implement a TPA End User's target portfolio on the Platform, as determined by the Third Party Advisor:

- Target Asset Allocation:
  - Proprietary mix of portfolios selected by the Third Party Advisor considering Risk Tolerance and Time Horizon
  - Long-Term Return & Risk Assumptions
- Risk Tolerance: Risk Tolerance and Liquidity Profile
- Time Horizon: Goal target date

RobustWealth's Platform is designed to generate target asset allocation models along with customized settings to accommodate strategic asset allocation, and active and/or passive implementation. The composition of each target asset allocation model will vary based upon the specific goals or retirement target date for the respective model.

The strategic asset allocation models selected by the Third Party Advisor are used in the creation of the target date models at each target date point that considers risk and reward. As selected by the Third Party Advisor, strategic asset allocation views are applied to asset classes such as U.S. equities, global equities, currencies, fixed income, commodities and other asset classes or factors.

RobustWealth can implement a portfolio using a combination of passive (index) strategies or active strategies. An investment strategy's desired exposure from a strategic view will be implemented with vehicles or instruments such as mutual funds, ETFs, and individual stocks.

Other model providers that have model portfolios available for use in the TPA Program construct their model portfolios utilizing a combination of third party and proprietary funds and ETFs for targeted allocation exposures. Third Party Advisors are encouraged to understand the investment strategies provided by independent model providers prior to selecting them for TPA End Users.

RobustWealth provides its advisory services through a digital technology solution that rebalances portfolios by using a proprietary algorithm. Accordingly, Third Party Advisors and TPA End Users should be aware that:

- the algorithm relies on back-tested information, and, thus, may not operate as expected or intended when events having few or no historical antecedents occur;
- the algorithm is based on a number of assumptions, including, but not limited to:
  - expected asset return can be derived by statistical inference;
  - correlations exist between different assets;
  - commissions and potential tax implications detracts the overall value to be harvested from rebalancing;
  - tolerance bands at asset classes and individual security level are placed to limit portfolio turnover;
  - potential tax implications take priority and place constraints on the rebalancer;
  - the current price is the daily close price for any open-end mutual fund and intra-day delayed prices of securities trading on the U.S. exchanges;
  - ETFs traded in TPA End Users' accounts will generally be executed as limit orders set by RobustWealth; and
  - Bid/ask spreads and/or slippage costs for rebalancing are not reflected in the algorithm; however, these implicit costs may occur during actual trading for Program Accounts
- When there are potential tax implications, the rebalancer attempts to reduce the drift across available asset classes/securities in the model portfolio. To remove such potential tax constraints, Third Party Advisors and TPA End Users can provide instructions in the form of appropriate holding status settings or reach out to RobustWealth for further guidance.
- limitations of the algorithm include the following without limitation:
  - imperfect estimation of the market turning point; and
  - expected return and expected correlation among different assets may significantly deviate from real market conditions due to unexpected events or investor panic;
- without rebalancing, the portfolio generated by the algorithm will not stay optimized over time;
- the algorithm used to manage accounts might rebalance accounts without regard to market conditions or on a more frequent basis than a Third Party Advisor or

TPA End User might expect and the algorithm may not address prolonged changes in market conditions;

- RobustWealth, in its sole discretion, may override an algorithm in the event of instances where the algorithm is not performing as expected or an error is discovered in a file used by the algorithm. In addition, in volatile or stressed market conditions or market halts, in response to certain types of operational or technological errors, and under other circumstances that RobustWealth determines may negatively affect Customer Accounts, RobustWealth may override the algorithms, including electing to not trade during periods of market volatility. This can include liquidating securities in stressed market conditions, and this may cause tax implications;
- absent technical issues, there is no human involvement in the oversight and management of individual accounts; however, upon request by Third Party Advisors RobustWealth can override certain trades for TPA End Users provided it has advance notice of such requests;
- a risk tolerance questionnaire is available on the Platform for a TPA End User that can be used as the basis for RobustWealth's advice; the Third Party Advisor can modify RobustWealth's standard risk tolerance questionnaire on the Platform for use with TPA End Users, thus the Third Party Advisor can customize risk level in this regard; and
- if and when a TPA End User has a material change to his/her/its financial situation or risk tolerance, the TPA End User should promptly update information he/she/it has provided to the Third Party Advisor and RobustWealth.

### **Risk Considerations**

RobustWealth does not guarantee the future performance of any Program Account. TPA End Users must understand that investments made via the TPA Program involves substantial risk and are subject to various market, currency, liquidity, economic, political and business risks, and that those investment decisions and actions will not always be profitable. TPA End Users may not get back the amount invested. Subject to the Investment Advisers Act of 1940 ("Advisers Act"), RobustWealth has no liability for any losses in a Program Account. The price of any security or the value of an entire asset class can decline for a variety of reasons outside of RobustWealth's control, including, but not limited to, changes in the macroeconomic environment, unpredictable market sentiment, forecasted or unforeseen economic developments, interest rates, regulatory changes, and domestic or foreign political, demographic, or social events. There is no guarantee that RobustWealth's judgment or investment decisions about particular securities or asset classes will necessarily produce the intended results. RobustWealth's judgment may prove to be incorrect, and a TPA End User might not achieve his or her investment objectives. High volatility and/or the lack of deep and active liquid markets for a security can prevent a TPA End User from selling his or her securities at all, or at an advantageous time or price because RobustWealth and the TPA End User's broker may have difficulty finding a buyer and can be forced to sell at a significant discount to market value. RobustWealth cannot guarantee any level of performance or that any TPA End User will avoid a loss of Program Account assets. Any investment in securities involves the possibility of financial loss that TPA End Users should be prepared to bear.

When evaluating risk, financial loss may be viewed differently by each TPA End User and may depend on many different risk items, each of which can affect the probability of adverse consequences and the magnitude of any potential losses. The following risks may not be all-inclusive, but should be considered carefully by a prospective TPA End User before entering the TPA Program and by a Third Party Advisor before managing Program Accounts through the Platform. These risks should be considered as possibilities, with additional regard to their actual probability of occurring and the effect on a TPA End User if there is in fact an occurrence.

Senior Management from RobustWealth will address any questions that a Third Party Advisor, TPA End User or prospective TPA End User may have regarding its prospective engagement and the corresponding conflict of interest presented by this engagement.

**Algorithmic Trading** – RobustWealth relies on computer models, data inputs and assumptions in generating trade orders. Statistical investing models, such as those used by RobustWealth, rely on back-tested information, and, thus, may not operate as expected or intended when events having few or no historical antecedents occur, and, accordingly, may generate losses another manager could have been able to avoid. Likewise use of algorithms may result in a portfolio that may be more aggressive or more conservative than necessary or incorrectly trigger or fail to initiate rebalancing. Changes to algorithmic code may materially affect a Program Account and may not have the desired effect over time with respect to a Program Account.

**Cybersecurity and Operational Risks** – RobustWealth and its service providers are subject to risks associated with a breach in cybersecurity. Cybersecurity is a generic term used to describe the technology, processes and practices designed to protect networks, systems, computers, programs and data from cyber-attacks and hacking by other computer users, and to avoid the resulting damage and disruption of hardware and software systems, loss or corruption of data, and/or misappropriation of confidential information. In general, cyber-attacks are deliberate, but unintentional events may have similar effects. Cyber-attacks may cause losses to TPA End Users by interfering with the processing of transactions, affecting RobustWealth's ability to calculate net asset value or impeding or sabotaging trading. RobustWealth and Third Party Advisors may also incur substantial costs as the result of a cybersecurity breach, including those associated with forensic analysis of the origin and scope of the breach, increased and upgraded cybersecurity, identity theft, unauthorized use of proprietary information, litigation, and the dissemination of confidential and proprietary information. Any such breach could expose RobustWealth to civil liability as well as regulatory inquiry and/or action. In addition, Third Party Advisors and TPA End Users could be exposed to additional losses as a result of unauthorized use of their personal information. While RobustWealth has established business continuity plans, incident response plans and systems designed to prevent cyber-attacks, there are inherent limitations in such plans and systems, including the possibility that certain risks have not been identified. Similar types of cyber security risks also are present for issuers of securities held in Program Accounts, which could result in material adverse consequences for such issuers and may cause a TPA End User's investment in such securities to lose value.

RobustWealth has developed a Business Continuity Program (the “Program”) that is designed to minimize the disruption of normal business operations in the event of an adverse incident impacting RobustWealth or its affiliates. While RobustWealth believes that the Program is comprehensive and should enable it to reestablish normal business operations in a timely manner in the event of an adverse incident, there are inherent limitations in such programs (including the possibility that contingencies have not been anticipated and procedures do not work as intended) and under some circumstances, RobustWealth and its affiliates, any vendors used by RobustWealth or its affiliates or any service providers to the portfolios RobustWealth manages could be prevented or hindered from providing services to the portfolio for extended periods of time. These circumstances may include, without limitation, acts of God, acts of governments, any act of declared or undeclared war or of a public enemy (including acts of terrorism), power shortages or failures, utility or communication failure or delays, labor disputes, strikes, epidemics, shortages, supply shortages, and system failures or malfunctions. These circumstances, including systems failures and malfunctions, could cause disruptions and negatively impact a portfolio’s service providers and a portfolio’s operations, potentially including impediments to trading portfolio securities. A portfolio’s ability to recover any losses or expenses it incurs as a result of a disruption of business operations may be limited by the liability, standard of care and related provisions in its contractual arrangements with RobustWealth and other service providers.

**Technology Risk** – RobustWealth depends heavily on information technology, telecommunication and other operational systems. These systems may fail to operate properly or become disabled because of events or circumstances beyond RobustWealth’s control. In this event it may be possible that access to the system will be limited.

**Market Risk** - The price of any or all securities or the value of an entire asset class or portfolio can decline for a variety of reasons outside of RobustWealth’s control, including, but not limited to, changes in the macroeconomic environment, unpredictable market sentiment, forecasted or unforeseen economic developments, interest rates, regulatory changes, and domestic or foreign political, demographic, or social events. If a TPA End User has a high allocation in a particular asset class, it may negatively affect overall performance to the extent that the asset class underperforms relative to other market assets. Conversely, a low allocation to a particular asset class that outperforms other asset classes in a particular period will cause that Program Account to underperform relative to the overall market.

**Asset Allocation Risk** - Asset allocation decisions can result in more portfolio concentration in a certain asset class or classes, which could reduce overall return if the concentrated assets underperform expectations. The more aggressive the investment strategy used for a Program Account, the more likely the Program Account will contain larger weights in riskier asset classes. Asset classes can perform differently from each other at any given time (as well as over the long term), so the investment strategy will be affected by its allocation among the asset classes. Depending on market conditions, there may be times when diversified portfolios perform worse than less diversified portfolios. Diversification does not eliminate investment risk.

**Investment Risk** - There is no guarantee that RobustWealth's judgment, models or investment decisions about particular securities or asset classes will necessarily produce the intended results. RobustWealth's judgment may prove to be incorrect, and a TPA End User might not achieve his or her investment objectives. RobustWealth can also make future changes to the investing algorithms and services that it provides. In addition, it is possible that Third Party Advisors, TPA End Users or RobustWealth itself may experience computer equipment failure, loss of internet access, viruses, or other events that can impair access to RobustWealth's software based financial service.

**Model Risk** - Model portfolios are available for use on the Platform and are generally designed to help Third Party Advisors address a number of risks associated with TPA End Users saving for goals or retirement, including shortfall, longevity, capital and inflation risks. Shortfall risk is the risk of an individual not having enough savings to last throughout retirement. Longevity risk is the risk of an individual outliving their savings, either because they live longer than planned or have a savings shortfall. Capital risk is the risk that an individual will abandon their investment choice because of a negative investment experience. Inflation risk is the risk that an individual will not have sufficient savings in retirement or sufficient savings to purchase as much in the future because of the increase in cost of goods and services over time. Third Party Advisors and TPA End Users should understand that because these risks are taken into account during portfolio construction, there often will be a variance between the risk level of a TPA End User's portfolio and their risk score. Specifically, model portfolios available in the TPA Program will be weighted—in some cases significantly—to comparatively riskier investments (e.g., equity funds over fixed income funds), despite a TPA End User's conservative risk score to account for these risks and the operation of the glide path. This is particularly the case when there is a larger difference between a TPA End User's current age and their goal age.

**Liquidity and Valuation Risk** - High volatility and/or the lack of deep and active liquid markets for a security may prevent a TPA End User from selling securities at all, or at an advantageous time or price because RobustWealth and the TPA End User's broker may have difficulty finding a buyer and may be forced to sell at a significant discount to market value. Some securities (including ETFs) that hold or trade financial instruments may be adversely affected by liquidity issues as they manage their portfolios. While RobustWealth values the securities held in Program Accounts based on reasonably available exchange-traded security data and valuations provided by the TPA Ender User's custodian, RobustWealth may from time to time receive or use inaccurate data, which could adversely affect security valuations, transaction size for purchases or sales, and/or the resulting fees paid to RobustWealth.

**Investment Strategy Risks** - There are risks associated with long-term investing based on a particular investment strategy. An investment strategy is an investment plan and there are inherent risks associated with them. In general, the more aggressive the investment strategy, the greater the risk. For example, it is more likely that an aggressive portfolio will contain larger weights in riskier asset classes, such as equities. Likewise, a more conservative investment strategy will generally have less risk and will contain higher weights of less risky asset classes such as fixed income. Please refer to the Fixed Income Risk Disclosure that follows later in this section.

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

**Credit Risk** - RobustWealth cannot control that TPA End Users are exposed to the risk that financial intermediaries or security issuers may experience adverse economic consequences that may include impaired credit ratings, default, bankruptcy or insolvency, any of which may affect portfolio values or management. This risk applies to assets on deposit with any broker utilized by a TPA End User, notwithstanding asset segregation and insurance requirements that are beneficial to TPA End Users generally. In addition, exchange trading venues or trade settlement and clearing intermediaries could experience adverse events that may temporarily or permanently limit trading or adversely affect the value of securities held by TPA End Users. Finally, any issuer of securities may experience a credit event that could impair or erase the value of the issuer's securities held by a TPA End User. RobustWealth seeks to limit credit risk through ETFs and mutual funds, which are subject to regulatory limits on asset segregation and leverage such that fund shareholders are given liquidation priority versus the fund issuer; however, certain funds and products may involve higher issuer credit risk because they are not structured as a registered fund.

**Legislative and Tax Risk** - Performance may directly or indirectly be affected by government legislation or regulation, which may include, but is not limited to: changes in investment adviser or securities trading regulation; change in the U.S. government's guarantee of ultimate payment of principal and interest on certain government securities and changes in the tax code that could affect interest income, income characterization, and/or tax reporting obligations (particularly for ETFs or mutual funds dealing in natural resources). In certain circumstances, a TPA End User may incur taxable income on his or her investments without a cash distribution to pay the tax due. Frequent changes made to asset allocation models or frequent algorithmic trading may result in significant portfolio turnover, which could negatively impact the net after-tax gain experienced by a TPA End User in a taxable account.

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



other legal rules that jeopardize shareholder protection. Foreign accounting may be less transparent than U.S. accounting practices and foreign regulation may be inadequate or irregular.

**Frontier Markets Risks** – The risks associated with investing in foreign or emerging markets generally are magnified in frontier markets, also known as “next emerging” markets. Some frontier markets may operate in politically unstable regions of the world and may be subject to additional geopolitical/disruption-of-markets risks.

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

TPA End Users invested in ETFs will pay multiple levels of compensation - fees charged by RobustWealth and Third Party Advisors plus any management fees charged by the issuer of the ETF. This scenario can cause a higher cost (and potentially lower investment returns) than if a TPA End User purchased the ETF directly.

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

**Mutual Fund Risks** – A risk exists that the investment strategies employed by the mutual funds will not meet the stated investment objectives the fund is seeking to obtain. Mutual funds may invest in equities, fixed income, derivatives, and other asset classes; the risks associated with such investments are described in the fund's prospectus. The performance of a mutual fund may not exactly match the performance of the index or market benchmark that the fund is designed to track due to the mutual fund incurring expenses and transaction costs not incurred by any applicable index or market benchmark.

TPA End Users invested in mutual funds they will pay multiple levels of compensation - fees charged by RobustWealth and Third Party Advisors plus any management fees charged by the issuer of the mutual fund.

Mutual funds embed expenses and related fees that reduce the fund's net asset value, and therefore, directly affect the fund's performance and indirectly affect a Program Account's performance. Expenses of the mutual fund generally include investment adviser management fees, custodian fees, brokerage commissions, and legal and accounting fees. Expenses can change from time to time at the sole discretion of the issuer and expenses can vary.

**Use of Mutual Funds** – While models on the Platform can include mutual funds that are not available directly to the public, models can also include publicly-available mutual funds that a TPA End User could obtain without engaging a Third Party Advisor as an investment adviser and RobustWealth as a subadvisor in the TPA Program. However, if a TPA End User or prospective TPA End User determines to allocate investment assets to publicly available mutual funds without engaging a Third Party Advisor as an investment adviser and RobustWealth as subadvisor, the TPA End User would not receive the benefit of RobustWealth's subadvisory services.

**Inflation, Currency, and Interest Rate Risks** - Security prices and portfolio returns will likely vary in response to changes in inflation and interest rates. Inflation causes the value of future dollars to be worth less and may reduce the purchasing power of an investor's future interest payments and principal. Inflation also generally leads to higher interest rates, which in turn may cause the value of many types of fixed income investments to decline. The liquidity and trading value of foreign currencies could be affected by global economic factors, such as inflation, interest rate levels, and trade balances among countries, as well as the actions of sovereign governments and central banks. In addition, the relative value of the U.S. dollar-denominated assets primarily managed by RobustWealth may be affected by the risk that currency devaluations affect a TPA End User's purchasing power.

**Derivatives** - RobustWealth does not presently but has the ability to trade options in the future within TPA End User portfolios. Options can serve to mitigate risk, but they can also enhance risk by amplifying losses.

**Equity-Related Risks** – The prices of equity securities will rise and fall. These price movements may result from factors affecting individual companies, industries, or the securities market as a whole. Individual companies may report poor results or be negatively affected by industry and/or economic trends and developments. The prices of securities issued by such companies may suffer a decline in response. In addition, the equity market tends to move in cycles, which may cause stock prices to fall over short or extended periods of time.

**Large-Cap and Mid-Cap Risks** – Large-cap and/or mid-cap segments of the stock market bear the risk that these types of stocks tend to go in and out of favor based on market and economic conditions. However, stocks of mid-cap companies tend to be more volatile than those of large-cap companies because mid-cap companies tend to be more susceptible to adverse business or economic events than larger, more established companies.

During a period when large and mid-cap U.S. stocks fall behind other types of investments—bonds or small-cap stocks, for instance—the performance of investment strategies focused on large and/or mid-cap stocks will lag the performance of these other investments.

**Small-Cap and International Risks** – Historically, small-cap and international stocks have been riskier than large and mid-cap U.S. stocks. During a period when small-cap and/or international stocks fall behind other types of investments—U.S. large- and mid-cap stocks, for instance—the performance of investment strategies focused on small-cap or international stocks may lag the performance of these other investments.

**Fixed Income** – Bond markets rise and fall daily, and fixed income investments, which generally also include instruments with variable or floating rates, are subject to various risks. When interest rates rise, bond prices usually fall. The longer the duration of a bond, the more sensitive to interest rate movements its value is likely to be. A decline in the credit quality of a fixed income investment could cause the value of a fixed income product to fall. High-yield securities and unrated securities of similar credit quality (sometimes called junk bonds) are subject to greater levels of credit and liquidity risks. High-yield securities may be considered speculative.

**Government Securities Risks** – Many U.S. government securities are not backed by the full faith and credit of the United States government, which means they are neither issued nor guaranteed by the U.S. Treasury. Certain issuers of securities, such as the Federal Home Loan Banks, maintain limited lines of credit with the U.S. Treasury. Securities issued by other issuers, such as the Federal Farm Credit Banks Funding Corporation, are supported solely by the credit of the issuer. There can be no assurance that the U.S. government will provide financial support to securities of its agencies and instrumentalities if it is not obligated to do so under law.

**Commodities Risks** – Commodities involve unique risks that can be distinct from those that affect stocks and bonds, including worldwide supply and demand factors, weather conditions, currency movements, and international government policies regarding commodity reserves and choice of currency for commodity pricing. Unlike mutual funds that usually invest in bonds and/or listed shares, commodities funds usually invest in futures contracts that are derivative securities. There may be additional trading risks associated with commodities funds during periods of market stress.

**Real Estate Risks** – Real estate-related investments may be adversely affected by factors affecting the real estate industry, which may include changes in interest rates and social and economic trends. Real estate investment trusts (REITs) may also be subject to the risk of fluctuations in income from underlying real estate assets, poor performance by the REITs' managers, prepayments and defaults by borrowers, adverse changes in tax laws, and, for U.S. REITs, their failure to qualify for the special tax treatment granted to REITs.

**Reliance on Management and Other Third Parties** – ETF and mutual fund investments rely on third party management and advisers. RobustWealth and Third Party Advisors do not have an active role in the day-to-day management of fund investments. Carried interest

and other incentive distributions to fund management may create an incentive towards more speculative investments than would otherwise have been made.

**Infrastructure Risks** – Infrastructure-related investments are subject to a number of unique risks. These investments may be concentrated into a small number of projects, resulting in a high degree of risk with respect to each project. Further, these investments are often subject to foreign and emerging market risks.

**Market Volatility** – General fluctuations in the economy may affect the value of one or more investments. In the event of economic volatility, the ability to achieve a favorable return on investments may be severely impeded.

**ESG (Environmental, Social and Governance) Investing** – ESG investments generally focus on those investments which seek to change, support or sustain environmental, social and governance issues. Investments that seek to change, support or improve the environment may include investments in securities that favor low carbon emissions in an effort to impact climate change. Other ESG investments may focus on changing, supporting or improving social issues such as fair labor standards, public health and safety or gender diversity. ESG investing may also focus on corporate governance issues such as board and executive compensation, lobbying and business ethics. This investment category represents a relatively new area of investment with a relatively limited performance track record. Due to the consideration of non-monetary factors in investment decisions, these investments may experience a lower rate of return. There may be a relatively limited number of investments to consider in this investment category, and available investments may be subject to increased competition.

**Large Investment Risks** – TPA End Users may collectively account for a large portion of the assets in certain investments. A decision by many investors to buy or sell some or all of a particular investment where TPA End Users hold a significant portion of that investment may negatively impact the value of that investment.

**Limitations of Disclosure** – The foregoing list of risks does not purport to be a complete enumeration or explanation of the risks involved in investing in investments. As investment strategies develop and change over time, TPA End Users may be subject to additional and different risk factors. No assurance can be made that profits will be achieved or that substantial losses will not be incurred.

## **Item 9 - Disciplinary Information**

Registered investment advisers are required to disclose all material facts regarding any legal or disciplinary events that would be material to an evaluation of such adviser or the integrity of such adviser's management. RobustWealth does not have any legal, financial, regulatory, or other "disciplinary" item to report to any Third Party Advisor or TPA End User. This statement applies to RobustWealth and its management persons.

## **Item 10 - Other Financial Industry Activities and Affiliations**

### **Affiliated Entities**

Principal Securities, Inc. (“PSI”) is a retail investment adviser registered with the SEC and a FINRA-registered broker-dealer that markets a variety of proprietary and non-proprietary mutual funds, unit investment trusts and limited partnerships. PSI serves as a distributor for the variable life and variable annuity contracts issued by Principal Life Insurance Company (“Principal Life”), Principal National Life Insurance Company and all three are subsidiaries of Principal Financial Services, Inc. (“PFSI”). RobustWealth currently does not execute security transactions with PSI.

Principal Funds Distributor, Inc. (“PFD”), a registered broker-dealer and a FINRA member. PFD serves as a principal underwriter for Principal Funds, Inc. and Principal Variable Contracts, Inc. RobustWealth does not currently execute security transactions with PFD.

Principal Life Insurance Company (“Principal Life”) is licensed as an insurance company in all 50 states and the District of Columbia. RobustWealth and Principal Life have entered into a Subsidiary Expense Reimbursement Agreement pursuant to which Principal Life or its global affiliates will furnish certain personnel, services and facilities used by RobustWealth, and RobustWealth will reimburse Principal Life for its expenses incurred in that regard.

Principal Advised Services, LLC (“PAS”) is a retail investment adviser registered with the SEC. PAS has hired RobustWealth to serve as subadvisor with limited discretionary authority over trading, which includes intelligent rebalancing and target asset reallocation services for its customer accounts participating in the Principal® SimpleInvest Program. RobustWealth receives direct compensation for the subadvisory services it performs for PAS. RobustWealth and PAS are under common control. The PAS Investment Committee is comprised of investment and risk professionals working for various business units of member companies of PFG including one or more individuals from RobustWealth.

Principal Global Investors, LLC (“PGI”), an investment adviser registered with the SEC. PGI offers portfolio management services for fixed income, equities and asset allocation products to affiliated and non-affiliated persons. PGI is a member of the National Futures Association and registered as a commodity trading advisor and commodity pool operator with the Commodity Futures Trading Commission.

The Principal Real Estate Europe Group (“the PrinREE Group”), which was acquired by Principal in April 2018, manages alternative investment funds and separate account mandates investing in European real estate on behalf of investors and clients. The PrinREE Group includes 5 authorized Alternative Investment Fund Managers (“AIFMs”): Principal Real Estate Limited- authorized in the UK by the FCA, Principal Real Estate SAS- authorized in France by the AMF, Principal Real Estate S.À R.L.- authorized in Luxembourg by the CSSF, Principal Real Estate Kapitalverwaltungsgesellschaft mbH and Principal Real Estate Spezialfondsgesellschaft mbH- each of which are registered in Germany by BaFin. PrinREI

has a Participating Affiliate Arrangement with the PrinREE Group that allows the PrinREE Group to provide advisory services to PrinREI clients.

Principal Enterprise Capital, LLC ("PEC") is an investment advisor registered with the SEC. PEC invests in Real Estate Operating Companies ("REOCs").

Principal Financial Advisers, Inc. ("PFA"), is an investment advisor registered with the SEC. PFA provides asset allocation advice and other investment advisory services to qualified retirement plans funded with group annuity contracts purchased from Principal Life Insurance Company.

Post Advisory Group, LLC ("Post") is an investment advisor registered with the SEC. Post offers services in managing client funds invested in high yield debt securities and distressed securities.

Columbus Circle Investors ("Columbus Circle") is an investment advisor registered with the SEC. Columbus Circle offers services in managing client funds invested in U.S. growth equity securities.

Origin Asset Management, LLP ("Origin"), an investment advisor registered with the SEC. Origin offers services in managing client funds invested in global (ex U.S.) equity securities.

Finisterre Capital, LLP ("Finisterre"), an investment advisor registered with the SEC. Finisterre offers services in managing client funds invested in emerging market fixed income securities. Finisterre is also a member of the National Futures Association and registered with the CFTC as a CTA and a CPO.

Finisterre Malta Limited ("Finisterre Malta"), an investment advisor registered with the SEC. Finisterre Malta offers services in managing client funds invested in emerging market fixed income securities.

Claritas Investments Ltd. ("Claritas"), an investment adviser in Brazil, specializes in alternative investments and hedge funds in local markets and abroad.

Spectrum Asset Management, Inc. ("Spectrum") an investment advisor registered with the SEC. Spectrum is also a member of the NFA and registered with the CFTC. Spectrum offers services managing client funds invested in preferred securities. Spectrum is also a member of the National Futures Association and registered with the Commodity Futures Trading Commission.

SAMI Brokerage, LLC ("SAMI"), is a registered broker-dealer and a FINRA member. RobustWealth currently does not execute security transactions with SAMI.

Principal Global Investors Trust Company ("PGI Trust") is an Oregon banking corporation and a trustee of collective investment trusts.

Principal Trust Company is a Delaware trust company providing trust, custodial and administrative services.

Principal Bank is an FDIC-insured bank specializing in Individual Retirement Accounts.

Principal International, Inc. ("PI") is an affiliate of PrinREI, as both Principal International and PrinREI are direct or indirect wholly owned subsidiaries of Principal Financial Services, Inc.

### **Other Financial Industry Activities**

RobustWealth may receive, directly or indirectly, compensation from its affiliates for which it performs subadvisory services.

RobustWealth is part of a diversified, global financial services organization with many types of affiliated financial service providers, including but not limited to broker-dealers, insurance companies and other investment advisers. RobustWealth enters into arrangements, as needed, to provide services or otherwise enter into some form of business relationship with these foreign and/or domestic affiliates.

William Capuzzi, CEO of Apex, was appointed as a member of RobustWealth's Advisory Council in the fourth quarter of 2018. Mr. Capuzzi receives compensation and is reimbursed for reasonable expenses such as travel from RobustWealth for serving in this consulting capacity. Apex, an unaffiliated broker-dealer, has provided clearing, custody, trade execution and related services to RobustWealth's TPA Program as described in Item 5 since February 2016.

### **Item 11 - Code of Ethics, Participation or Interest in Client Transactions and Personal Trading**

RobustWealth has adopted a code of ethics (the "Code of Ethics") for all supervised persons of RobustWealth describing its high standard of business conduct and has a fiduciary duty to TPA End Users. The Code of Ethics includes provisions relating to the confidentiality of TPA End User information, a prohibition on insider trading, a prohibition of rumor mongering, restrictions on the acceptance of significant gifts and the reporting of certain gifts and business entertainment items, and personal securities trading procedures, among other things. All supervised persons at RobustWealth must acknowledge the terms of the Code of Ethics annually, or as amended.

RobustWealth's employees and persons associated with RobustWealth are required to follow RobustWealth's Code of Ethics and are permitted to personally buy and sell securities or other investments for their own accounts which are purchased for TPA End Users, so long as transactions are conducted in accordance with the Code of Ethics. As such, there are procedures in place to prevent instances where potential conflicts of interest arise between the personal securities transactions of employees. The Code of Ethics is designed to assure that the personal securities transactions, activities and interests of the employees of RobustWealth will not interfere with (i) making decisions in the best interest of TPA End Users and (ii) implementing such decisions while, at the same time, allowing employees to invest for their own accounts. Under the Code of Ethics certain classes of securities have been designated as exempt transactions, including open end mutual funds, based upon a

determination that personal employee transactions in these types of securities would not materially interfere with the best interest of TPA End Users. Employee trading is monitored under the Code of Ethics to reasonably prevent conflicts of interest between RobustWealth and TPA End Users.

Employees' accounts can trade in the same securities with Program Accounts when consistent with RobustWealth's obligation of best execution. If these trades are on an aggregated basis, employee and Program Accounts will share commission costs equally and receive securities at a total average price. RobustWealth retains records of the trade order (specifying each participating account) and its allocation, which is completed prior to the entry of the aggregated order. Completed orders are allocated as specified in the initial trade order. Partially filled orders are allocated on a pro rata basis. Any exceptions are explained on the trade order or trade allocation.

RobustWealth will not affect any principal or agency cross securities transactions for Program Accounts. RobustWealth does not cross trade between Program Accounts.

## **Item 12 - Brokerage Practices**

RobustWealth selects broker-dealer custodians for its Platform that are suited to pair with the Firm's technology stack. The current list includes Apex and TDAI. Factors that RobustWealth considers in selecting Apex or TDAI or any other broker-dealer/custodian for its Platform include but are not limited to historical relationship with RobustWealth, financial strength, reputation, execution capabilities, pricing, research, technological capabilities and service.

Third Party Advisors select Apex, TDAI or both as broker-dealer/custodian for TPA End Users. Prior to engaging RobustWealth to provide investment management services, each TPA End User enters into a separate custodial/clearing agreement with a designated broker-dealer/custodian. The separate custodian/clearing agreement established by TPA End Users determines where RobustWealth places trades for a Program Account. Therefore, a TPA End User may pay a commission that is higher than another qualified broker-dealer might charge to affect the same transaction where RobustWealth determines, in good faith, that the commission/transaction fee is reasonable. In seeking best execution, RobustWealth considers not the lowest possible cost, but whether the transaction represents the best qualitative execution, taking into consideration factors, as applicable, such as the full range of a broker-dealer's services, including the value of the technology services provided, execution capability, commission rates, and responsiveness. Accordingly, RobustWealth may not necessarily obtain the lowest possible commission rates for Program Account transactions. The brokerage commissions or transaction fees charged by the designated broker-dealer/custodian are exclusive of, and in addition to, RobustWealth's subadvisory fee. RobustWealth's best execution responsibility is qualified if securities that it purchases for Program Accounts are mutual funds that trade at net asset value as determined at the daily market close.



When RobustWealth provides subadvisory services for Program Accounts, the transactions for each Program Account can be affected independently, unless RobustWealth decides to purchase or sell the same securities for several TPA End Users at approximately the same time. RobustWealth generally (but is not obligated to) combines or “blocks” these orders to seek to obtain best execution, to negotiate more favorable commission rates or to allocate equitably among TPA End Users 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 averaged as to price and will be allocated among TPA End Users in proportion to the purchase and sale orders placed for each Program Account on any given day. RobustWealth will not receive any additional compensation or remuneration as a result of this aggregation.

RobustWealth’s trading process is designed to give fair and equitable treatment to Program Accounts. RobustWealth has established a trade rotation process for this purpose. Under certain circumstances, RobustWealth may make an exception to its process or recommend changes to its process. In these cases, the Firm in consultation with its Compliance Department documents why an exception or change was implemented.

### **Research and Additional Benefits**

Although not a material consideration when recommending Apex and TDAI as broker-dealer custodians to Third Party Advisors to select for TPA End Users, RobustWealth can receive from Apex or TDAI -without cost (and/or at a discount) support services and/or products, certain of which assist RobustWealth to better monitor and service Program Accounts maintained at such institutions. Other support services do not directly provide this assistance, but rather assist RobustWealth to manage and further develop its business enterprise.

RobustWealth currently receives from Apex and TDAI support services that include pricing information, market data, software and other technology that provide access to Program Account data, discounted and/or gratis attendance at conferences, computer hardware and/or software and/or other products used by RobustWealth in furtherance of its investment advisory business operations. TDAI provides RobustWealth access investment-related research on its website.

TPA End Users do not pay more for investment transactions effected and/or assets maintained at a broker-dealer/custodian as a result of this arrangement. There is no corresponding commitment made by RobustWealth to any broker-dealers/custodians or any other entity to invest any specific amount or percentage of TPA End User assets in any specific mutual funds, securities or other investment products as a result of the above arrangement.

### **Fractional Share Trading**

Fractional share trading for ETFs and stock is available to TPA End Users that utilize Apex as their broker-dealer/custodian. The ETF or stock shares purchased or sold on behalf of TPA

End Users and/or held in a brokerage account through Apex may be either whole shares or fractional shares, depending upon the amounts a TPA End User invests in any particular ETF or stock. RobustWealth enables TPA End Users to invest in dollar-based quantities, whereby a TPA End User can buy a fixed dollar amount rather than whole shares. RobustWealth aggregates all dollar-based purchases and places whole share orders for executions in its block trading account at Apex. RobustWealth executes a trade order for a de minimis number of shares for corresponding securities in advance of submitting its daily block trade order for Program Accounts. Thereafter, RobustWealth allocates the fractional shares from the block trading account to the individual Program Accounts. To the extent that RobustWealth trades fractional shares of any ETF or stock on behalf of TPA End Users, it does so by allocating any excess fractional shares to RobustWealth's fractional facilitation account held on custody at Apex. Therefore, RobustWealth can accumulate fractional shares and manages its fractional facilitation account through trades in whole share quantities in accordance with Apex's policies and procedures as they pertain to management of such accounts and positions.

RobustWealth and Apex each reserve the right, at any time and each in its sole discretion, without prior notice to Third Party Advisors or TPA End Users, to change the details of the policies and procedures governing the mechanics of trading fractional shares, including, without limitation, allocation calculation and rounding procedures. Fractional shares are typically unrecognized and illiquid outside of a Program Account and, as a result, fractional shares may not be marketable or transferrable a brokerage account outside of Apex. Therefore, TPA End Users cannot transfer fractional shares when closing their brokerage account at Apex. Fractional share interests must first be converted to U.S. dollar amounts through Apex, and then TPA End Users can transfer Program Account assets out as a combination of whole shares and cash. Fractional share conversions are subject to some minimal capital gain/loss reporting in taxable investment accounts. In the event of a liquidation or transfer of the assets from the TPA End User's brokerage account with Apex to another account, RobustWealth will not trade or transfer shares from its fractional share account to a TPA End User's new brokerage account.

### **Trade Errors**

RobustWealth maintains a system of checks and balances designed to limit the errors it makes in placing trades for Program Accounts. Nonetheless, RobustWealth will, from time to time, make trade errors. RobustWealth absorbs all losses on trades it places in error. In rectifying erroneous trades, RobustWealth distinguishes between errors it identifies prior to the time a broker-dealer settles the erroneous trade and posts it to the TPA End User's custodial statement ("Time of Settlement") and those it identifies after the Time of Settlement. Broker-dealers maintain a trade error account for RobustWealth and settle into it all erroneous trades identified prior to the Time of Settlement. Any profits from erroneous trades identified before settlement are retained in the error account and can only be used to offset losses caused by subsequent errors. RobustWealth accords TPA End Users any profitable erroneous trades it identifies after the Time of Settlement. RobustWealth covers

the correction of trading errors generally only to the extent that RobustWealth has control of resolving errors for Program Accounts. Broker-dealers may have control over the resolution of errors of participating investment managers, including RobustWealth. Because of the actions or omissions by a broker-dealer, Third Party Advisor or a TPA End User, a trade executed in the market may materially differ from the instructions or order given by RobustWealth's trading team for that trade. Errors attributable to broker-dealers, Third Party Advisors or TPA End Users are not considered trade errors but RobustWealth oversees the resolution of those errors.

### **Item 13 - Review of Accounts**

RobustWealth provides all Third Party Advisors and TPA End Users with access to the Platform or through a Third Party Advisor's website and/or mobile app regarding information about account status, portfolio allocations, securities, and balances. Proprietary as well as commercially available software is used to review the portfolios on an ongoing basis to ensure that they are in line with investment objectives and/or model portfolios selected or constructed by Third Party Advisors for TPA End Users. Additional reviews may be triggered by material changes in variables such as a TPA End User's individual circumstances, or the market, political or economic environment.

Third Party Advisors and TPA End Users have access to current Program Account balances and positions through the Platform or through a Third Party Advisor's website and/or mobile app (which website and/or mobile app will generally be hosted by RobustWealth). The custodian prepares Program Account statements showing all transactions and account balances during the prior quarter. All information relating to Program Accounts is provided through the Platform or through a Third Party Advisor's website and/or mobile app and/or is sent via email, as agreed to with each TPA End User at the time of their account opening. It is the responsibility of Third Party Advisors to remind TPA End Users to reconfirm their current profile information and to report changes in financial position or investment objectives as needed and on an annual basis. The Third Party Advisor is responsible to implement changes on the Platform in response to material changes that may have occurred due to a TPA End User's changes in financial position or investment objectives. RobustWealth invests and reallocates and/or reinvests the applicable Program Account in response to these changes, if applicable. It remains the Third Party Advisor's responsibility to promptly notify RobustWealth of any change in a TPA End User's financial situation or investment objective(s).

### **Item 14 - Client Referrals and Other Compensation**

RobustWealth and its related persons do not receive an economic benefit (such as sales awards or other prizes) from any third party for providing subadvisory services to Third Party Advisors or for its services relative to TPA End Users. However, RobustWealth receives from broker-dealers, fund companies or its affiliates, without cost and/or at a discount, certain services and/or products, to assist in monitoring and servicing Program Accounts. These include investment-related research available on TDAI's website, pricing

information and market data, software and other technology that provide access to Program Account data, practice management-related information, discounted or free attendance at conferences, meetings, and other educational or social events, marketing support, computer software, and other products used by RobustWealth to assist RobustWealth in its subadvisory business operations.

RobustWealth does not compensate any non-affiliated party for client referrals.

### **Item 15 - Custody**

As discussed above, RobustWealth generally recommends to Third Party Advisors that Apex or TDAI serve as custodian for Program Account assets. RobustWealth is deemed to have custody of assets in Program Accounts because RobustWealth is authorized by Third Party Advisors to instruct the custodian to deduct its subadvisory fees, Third Party Advisor advisory fees and expenses from Program Accounts. Each Third Party Advisor is responsible to review and approve all advisory fees and expenses deducted from Program Accounts. Third Party Advisor advisory fees and expenses are neither set nor supervised by RobustWealth. TPA End Users should carefully review all fees and expenses deducted from their Program Accounts.

Each TPA End User receives account information, including trade confirmations and monthly or quarterly account statements, directly from broker-dealers or custodians. Each TPA End User is required to log into Platform or their applicable brokerage or custodial account to obtain this information. Each TPA End User should carefully review Program Account information from their custodian and compare it with information provided by RobustWealth when they are evaluating Program Account performance, securities holdings, and transactions.

### **Item 16 - Investment Discretion**

#### **TPA Program**

RobustWealth exercises either discretionary or non-discretionary trading authority on a case by case basis as elected by the Third Party Advisor for each Program Account. Third Party Advisors must obtain authorization from TPA End Users to appoint RobustWealth as a subadvisor for TPA End Users on a discretionary or non-discretionary basis.

When appointed as a subadvisor on discretionary basis, Third Party Advisors grant RobustWealth discretionary authority to invest and reallocate and/or reinvest the applicable Program Account.

When RobustWealth is appointed as a subadvisor for TPA End Users on a non-discretionary basis, the Third Party Advisor retains discretion to invest allocate and/or reinvest the applicable Program Account. The Third Party Advisor places trades for the Program Account and determines the timing of those trades instead of RobustWealth. The Third Party Advisor uses the Platform for modelling and rebalancing without utilizing the trading services and supervisory services that RobustWealth provides for discretionary accounts. The Third

Party Advisor is solely responsible for the oversight and supervision of non-discretionary Program Accounts.

The TPA End User is responsible for any tax liabilities resulting from any sale transactions initially and during management of the Program Account. TPA End Users should consult with their tax professional to review their particular tax situation.

### **Item 17 - Voting Client Securities**

RobustWealth does not have any authority to and does not vote proxies on behalf of TPA End Users. TPA End Users retain the responsibility for receiving and voting proxies for any and all securities maintained in their portfolio. TPA End Users receive proxies and other solicitations directly from the designated custodian unless they direct the custodian otherwise. Third Party Advisors or TPA End Users which are fiduciaries of plans subject to ERISA retain all responsibility for voting proxies.

RobustWealth neither advises nor acts on behalf of a TPA End Users in legal proceedings involving companies whose securities are held or previously were held in the Program Accounts, including, but not limited to, the filing of "Proofs of Claim" in class action settlements.

As a general matter, holders of fractional shares do not have voting rights for the fraction of a share owned, even if more than 0.50 shares are in the Program Account. However, for Program Accounts held in custody at Apex, fractional holders receive a proxy ballot showing the number of fractional votes. Votes cast for fractional shares are aggregated with other votes cast for shares custodied at Apex, and they are voted on behalf of TPA End Users to the extent that they total a full share. The remaining fractions are not voted.

### **Item 18 - Financial Information**

RobustWealth does not have any adverse financial condition that is reasonably likely to impair RobustWealth's ability to continuously meet its contractual commitments to its clients. RobustWealth has not been the subject of a bankruptcy proceeding.