

FreemarketsAI, Inc.

Item 1 – Cover Page

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Form ADV Part 2A

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This brochure provides information about the qualifications and business practices of FreemarketsAI, Inc. (CRD # 309071) (“FreemarketsAI”). If you have any questions about the contents of this Brochure, please contact us via email at info@freemarkets.ai. The information in this Brochure has not been approved or verified by the United States Securities and Exchange Commission (“SEC”) or by any state securities authority.

FreemarketsAI is a registered investment adviser. Registration of an investment adviser does not imply any level of skill or training. The oral and written communications of an adviser provide you with information that you may use to determine whether to hire or retain them.

Additional information about FreemarketsAI is also available on the SEC’s website at www.adviserinfo.sec.gov. You can search this site by using a unique identifying number, known as a CRD number. The CRD number for FreemarketsAI is 309071. The SEC’s website also provides information about any persons affiliated with FreemarketsAI who are registered, or are required to be registered, as investment adviser representatives of FreemarketsAI.

Item 2 – Material Changes

This document is the initial Part 2A of Form ADV: Brochure (the “Brochure”) for FreemarketsAI. Pursuant to the United States Securities and Exchange Commission’s (the “SEC”) requirements and rules, you will receive a summary of any material changes to the Brochure within one hundred twenty days of the close of FreemarketsAI’s fiscal year.

The Brochure may be requested at any time, without charge, by contacting FreemarketsAI at info@freemarkets.ai or by checking our website at www.freemarkets.ai.

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Item 4 – Advisory Business

Description of the Advisory Firm

FreemarketsAI was founded on April 23, 2018. Additional information about FreemarketsAI is available on the SEC’s website at www.adviserinfo.sec.gov. You can search this site by using a unique identifying number, known as a CRD number. The CRD number for FreemarketsAI is 309071. The SEC’s website also provides information about any persons affiliated with FreemarketsAI who are registered, or are required to be registered, as investment adviser representatives of FreemarketsAI.

FreemarketsAI is a registered investment adviser (“RIA”) which offers an investment program to its advisory clients (each a “Client,” and collectively, “Clients”) through an automated platform on its website. FreemarketsAI does not offer tax, accounting, or legal advice.

FreemarketsAI is a privately held company headquartered in New York, New York. Information about FreemarketsAI’s organizational and ownership structure is provided on Part 1 of FreemarketsAI’s Form ADV, which is available online at <http://www.adviserinfo.sec.gov>.

Types of Advisory Services

FreemarketsAI provides web-based discretionary and non-discretionary advisory services through an internet-based program. This program is provided to two subsets of Clients, Third Party Advisors and Institutional Investors, as defined below. FreemarketsAI calls this program the FreemarketsAI Asset Allocation program (the “Program”). The Program is provided via FreemarketsAI’s proprietary platform located at www.freemarkets.ai (the “Website”). The services included in the Program are advisory, trade execution, clearance, custody and reporting. The advisory services are delivered solely through the Website. FreemarketsAI offers its advice primarily through the Program, any advice offered outside of the Program shall be subject to the de-minimis exception for internet advisers. Additional information about FreemarketsAI’s products and services is provided in FreemarketsAI’s Form ADV Part 1 available at <http://www.adviserinfo.sec.gov>. FreemarketsAI also encourages visiting the Website for additional information.

FreemarketsAI’s Clients consist of third-party investment advisers (independent of FreemarketsAI) who are registered or exempt from registration as such (“Third Party Advisors”) and other institutional investors (e.g., private funds, family offices, and their related advisers) (“Institutional Investors”). Third Party Advisors, in turn, act as investment advisers to their advisory clients (the “TPA Users”) investing through their Third Party Advisor in the Program.

FreemarketsAI has developed the Program for use by Clients. The Program is a proprietary automated investment management platform for use by Clients (and/or TPA Users) to access a customized portfolio of, primarily, U.S. and non-U.S. publicly traded equities as well as exchange traded funds (“ETF”), American depository receipts (“ADRs”), fixed income securities, mutual funds, closed end funds (“CEF”), real estate investment trusts (“REITs”), and certain derivatives and currencies (collectively the “Platform Investments”). The Platform Investments consist primarily of securities, not commodities. In connection with the Program, FreemarketsAI provides

Clients with the necessary technology, related trading and account management services and other related technology services to run the Program.

With respect to Third Party Advisors, FreemarketsAI will act as the limited agent of the Third Party Advisor solely for the purposes of implementing the Program into the Third Party Advisor's program:

1. Reflecting the Third Party Advisor's configuration of the Program on the client portal;
2. Implementing a questionnaire for the Third Party Advisor to assist in suitability determinations;
3. Operating the Program to (a) implement the Third Party Advisor's selections, modifications and replacements of portfolios for the TPA User's accounts, and (b) perform the automatic rebalancing for the TPA User's accounts; and
4. Carrying out the trade order management process via the clearing firm ("Clearing Firm") as selected by the Third Party Advisor, if discretionary authority is granted to FreemarketsAI.

The Program will also allow Institutional Investors the ability to access various investment analytics and build investment strategies based on the Platform Investments, as recommended by FreemarketsAI. For such Institutional Investors, the Program will be non-discretionary and Institutional Investors may amend FreemarketsAI's recommendations of suitable Platform Investments.

Clients are urged to compare any account statements and confirmations provided by FreemarketsAI to account statements and confirmations provided by the Clearing Firm as selected by the Client and serves as the independent custodian to such Clients (and TPA Users). Clients are obligated to update their information through the Website promptly if there are changes to TPA Users' financial situation, goals, objectives, personal circumstances, time horizon or if other relevant information changes or becomes available.

The securities and assets in each Client's account are held in a separate account in the name of the Client or TPA User at an independent custodian selected by the Client, and not with FreemarketsAI.

If so allowed, the ETFs purchased or sold on behalf of a TPA User and/or held in Client accounts may be either whole shares or fractional shares, depending upon the amounts a Client or TPA User invests in the particular ETF. If implemented by a Client, FreemarketsAI can enable dollar based investing, whereby a Client or TPA User can buy a fixed dollar amount rather than whole shares. FreemarketsAI aggregates all dollar based purchases and places whole share orders for executions. Thereafter, FreemarketsAI allocates the fractional shares to the Client or individual TPA User accounts. Fractional shares, however, are typically not transferrable outside of an advisory account because the financial system in the United States currently is structured only to accommodate transfers of full shares. As a result, fractional shares may not be marketable or transferrable to another brokerage account.

In the event of a liquidation or transfer of the assets in a Client's advisory account to another account, FreemarketsAI may convert such fractional shares to cash.

Clients will receive FreemarketsAI's Managed Account Agreement, which further details the services Clients will receive, fees charged to Clients, and the conditions of the FreemarketsAI - Client relationship. Importantly, FreemarketsAI does not provide overall financial planning services, nor does it provide tax advice.

Client Tailored Services and Client Imposed Restrictions

FreemarketsAI provides the investment advisory services provided through the Program.

The Program is a discretionary and non-discretionary (with respect to FreemarketsAI's relationship to Clients and TPA Users) program. Clients (and/or TPA Users) are ultimately responsible for all investment decisions and trades. FreemarketsAI provides Clients and TPA Users with access to their proprietary platform for trade execution through the Clearing Firm.

The Program is, primarily, a robo-adviser program; however, it is subject to the oversight of the portfolio manager listed below. Accordingly, Clients and TPA Users should be aware that:

- an algorithm is used to manage individual TPA User accounts;
- the algorithm generates a recommended portfolio for each client that is customized to the sectors, strategies, stock selections and risk and rebalancing preferences of the client, that a Client (or TPA User) is free to modify. Alternatively, a Client may build investment portfolios based on recommended Platform Investments, that a Client is free to modify;
- 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 draws on data from third party data providers, and thus may not operate as expected or intended should that data be inaccurate, incomplete, or unavailable;
- the algorithm is based on a number of assumptions:
 - any transaction fee is a maximum of 0.005 cents per share, with a minimum charge of \$1 for one-side trading (either buying or selling). Such transaction fee shall depend on the Clearing Firm selected by the Client;
 - the trading price is the daily close price for all Platform Investments;
 - the Client cannot trade more than either (i) 10% of the median daily trading volume of a particular security, as measured over the course of the past 63 trading days; or (ii) 10% of the volume traded during that trading day, whichever is lower;
 - the Client experiences slippage proportionate to the ratio between the amount traded by the Client of the security and the percentage of market daily volume traded of the security
 - the maximum expected drawdown of a particular security or strategy, relative to other securities or strategies, can be inferred by the previous maximum move in that security or strategy on a daily basis or by the covariance of the strategy or the subset of securities in the strategy with a macroeconomic, factor, or other indicator;
 - expected asset return can be derived by statistical inference or machine learning;
 - correlations exist between different assets; and
 - no tax is included.

Limitations of the algorithm include, without limitation:

- imperfect estimation of the market turning point;

- imperfect understanding of a company's or country's future financial trajectory by our machine learning models due to a condition that has not been reflected in the datasets to which FreemarketsAI has access or the algorithms we use;
- imperfect understanding of the relationships between company or country financials due to a material transformation in business, economic or political conditions not captured by the datasets to which FreemarketsAI has access or the algorithms used;
- imperfect analysis due to incomplete, inaccurate or unavailable information provided by a third party data providers, resulting in an erroneous investment decision
- expected return and expected correlation among different assets may significantly deviate from real market conditions due to unexpected events or investor panic;
- FreemarketsAI might halt trading or take other temporary defensive measures in stressed market conditions;
- FreemarketsAI owns and manages the algorithm;
- absent technical issues, there is no human involvement in the oversight and management of the individual TPA User or Client accounts;
- a questionnaire is used by FreemarketsAI as the sole basis for the Third Party Advisor's advice to TPA Users and FreemarketsAI's advice to Institutional Investors; and
- if and when a Client or TPA User has a material change to its financial standing or risk tolerance, the Client or TPA User should promptly update the information provided to the Third Party Advisor and/or FreemarketsAI.

One FreemarketsAI employee acts as portfolio manager for the Program. The Platform Investments that comprise Client portfolios are selected via FreemarketsAI's internal selection criteria. Clients select their own portfolios from the curated list of suitable portfolios presented by FreemarketsAI through the Website. The Platform Investments included in each Client portfolio have been researched and approved by FreemarketsAI's portfolio manager. FreemarketsAI's internal selection criteria includes, but is not limited to, assessing a Platform Investment's exposure to a given asset class or sector, and the liquidity prospect of the Platform Investments vis-à-vis FreemarketsAI portfolios. The Platform Investments will primarily consist of single stocks but will include the use of ETFs. Specifically for ETFs, FreemarketsAI selects ETFs based on how well the ETF tracks its benchmark, the ETF's management fee, and the ETF's management. ETFs themselves are managed by the relevant fund manager/sponsor. FreemarketsAI does not manage, control or receive compensation from ETF managers.

Rebalancing and initial investments are only performed during specific hours each day. There are inherent risks to the algorithms used to drive the Platform Investment portfolio recommendations made by FreemarketsAI, which may result in loss of capital. FreemarketsAI also relies on certain vendors, such as Amazon Web Services and Google, in order to provide portfolio analysis and construction. In the event that one of these vendors is unavailable, FreemarketsAI will not have the capability to analyze or construct the portfolio.

The Program's performance will be calculated through a time-weighted return.

FreemarketsAI does not review the performance information provided by the Clearing Firm. Clients should understand the Program investment is not a self-directed brokerage service. Unlike self-directed brokerage accounts, a Client or TPA User does not enter individual buy and sell orders for specific securities to be executed at particular times. Rather, FreemarketsAI places orders to buy and/or sell securities with a third party executing broker consistent with the

discretionary authority granted to it by Clients, which includes, among other things, the authority to select which securities to buy and sell and when to place orders for the execution of securities. If you want to control the specific time during the day that securities are bought and sold in your account (e.g., you want the ability to “time the market”), you should not use FreemarketsAI’s service.

Wrap Fee Program

FreemarketsAI does not use a wrap fee program.

Assets Under Management

As of the date of this filing, FreemarketsAI has no regulatory assets under management. FreemarketsAI provides both discretionary and non-discretionary advisory services.

Item 5 – Fees and Compensation

Fee Schedule

The Program shall charge the following non-negotiable fees to Clients:

1. A fee based on a percentage of the market value of the assets in the Program account, generally ranging from 0.00% to 2.00% (the “AUM Fee”);
2. A monthly subscription fee of \$0-\$4,000 for access to the FreemarketsAI platform (the “Platform Fee”); and
3. Where permitted under applicable law, a performance-based fee (the “Performance Based Fee”) as described further in Item 6.
4. Where permitted under applicable law, a fee based on the amount of fees that accrue to an account as a result of such account’s securities lending activities (the “Borrow Fee”) certain disclosure regarding the Borrow Fee is below under “Compensation for the Sale of Securities.”

Payment of Fees

FreemarketsAI is paid the AUM Fee on a pro-rata annualized basis monthly in arrears based on the value of Program accounts on the last day of the previous month. Similarly, the Performance Based Fee and Borrow Fee are paid pro-rata monthly in arrears. The Platform Fee is charged monthly to Clients at the beginning of the month and shall be prorated if canceled by a Client during the applicable month.

A TPA User should consult with their respective Third Party Advisor on the specifics of the Third Party Advisor’s fee schedule.

There are no minimum or maximum account size requirements. However, FreemarketsAI reserves the right to impose a minimum or maximum account size or value in the future at its discretion. FreemarketsAI further reserves the right to require additional disclosure information from Clients with accounts in excess of One Hundred Thousand U.S. Dollars (\$100,000).

Termination of accounts will be undertaken at FreemarketsAI's sole discretion. Each Client may also terminate its account at any time. Upon termination of a Client's account, assets are liquidated as soon as practicable, and money is returned to the Client, if applicable. Once the account termination process is initiated, FreemarketsAI will only receive fees through the termination date (and not thereafter).

Clients should understand that the Program was designed for frequent investing, and therefore, the fee structure might not be appropriate for individuals intending to make only a few and/or infrequent small dollar investments. Participation in the Program may cost Clients and TPA Users more or less than purchasing the bundled services (e.g., brokerage, custody, execution) separately. Clients should thoroughly consider these factors, among others, before deciding to participate in the Program: the number of transactions in the Client's accounts, trading commissions, custodial fees, advisory fees, and other services provided in the Program. This may potentially be a greater fee than the Client would pay to other investment advisers, which permit Clients to invest such an amount.

FreemarketsAI reserves the right to waive any fees or any part thereof for any period for any Client in FreemarketsAI's sole discretion. To this end, FreemarketsAI may, from time to time, elect to launch programs or initiatives whereby fees may be waived, in whole or in part, for certain categories of Clients. Any such program or initiative (a) is entirely discretionary to FreemarketsAI and may be expanded, narrowed, suspended, canceled or modified at any time by FreemarketsAI, and (b) will be subject to any rules, guidelines and/or terms and conditions created by FreemarketsAI in connection therewith (which rules, guidelines and/or terms may be included in website landing pages on the Website and/or elsewhere). To the extent any such program or initiative is canceled or terminated, Clients will once again be charged the then-current fees on a going-forward basis. FreemarketsAI shall have sole discretion in determining whether or not any existing Client or potential Client meets the requirements to participate in and/or benefit from any such program or initiative, and FreemarketsAI 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.

FreemarketsAI believes the fees charged are reasonable considering the quality and scope of the services it provides and the fees charged by other investment advisers offering similar services/programs. Clients could also invest in the investments available through the Program directly without FreemarketsAI's services. In that case, Clients would not receive the services provided by FreemarketsAI, which are designed, among other things, to assist in determining which investments are appropriate for the portfolio and the TPA User's account.

Third-Party Fees

A Client will incur certain charges imposed by custodians, brokers and other third parties. These include transfer fees, administrative fees, broker fees and other fees and taxes on brokerage accounts and securities transactions. The issuer of some of the securities or products purchased for Clients, such as ETFs or other similar financial products, may charge product fees that affect Clients. FreemarketsAI does not charge any of these fees to Clients and does not benefit directly or indirectly from any of these fees. An ETF typically includes embedded expenses that may reduce the fund's net asset value, and therefore directly affect the fund's performance and indirectly affect a Client's portfolio performance or an index benchmark comparison. Clients

should review all fees charged to understand the total amount of fees they will pay. A Client may review all fees for which he/she is independently responsible on the Website.

Prepayment of Fees

The Platform fee is charged monthly in advance; if a Client or FreemarketsAI cancels the Platform Fee it shall be refunded to the Client on a prorated basis based on the number of days remaining in the month.

Compensation for the Sale of Securities

FreemarketsAI accepts compensation for the sale of securities through its Borrow Fee. The charging of such fee has the potential to create a conflict of interest through the incentive for FreemarketsAI to encourage Clients to lend out securities in order to receive compensation according to the Borrow Fee. However, the choice to engage in the lending of securities will be solely at the discretion of the Client, and the Borrow Fee shall be fully disclosed to Clients. FreemarketsAI will not reduce its fees to offset any commission based on the Borrow Fee.

Item 6 – Performance-Based Fees and Side-by-Side Management

Where permitted under applicable law, FreemarketsAI charges performance-based fees of 10% to 30%, as determined from time to time, once performance passes a specified gain threshold. The calculation of such performance-based fee shall be subject to a high water mark. These are fees based on a share of capital gains on or capital appreciation of the assets of a Client.

Many of the Clients have investment programs that are similar to or overlap with each other, and may, therefore, participate with each other in investments. In the allocation of investment opportunities, performance-based fee arrangements could create an incentive to favor Clients that have greater performance fee arrangements over other Clients that have lesser or no performance fee arrangements. Investment decisions and allocations are made in accordance with the Advisers' Investment Allocation Policy and Procedures (the "Investment Allocation Policy"), as such Investment Allocation Policy is in effect at the time of such decision or allocation. The Investment Allocation Policy is designed to ensure that all Clients are treated fairly and equitably to prevent this form of potential conflict from influencing the allocation of investment opportunities among them.

Item 7 – Types of Clients

FreemarketsAI's Program is intended for use by Third Party Advisors (and TPA Users) and Institutional Investors to offer such Clients a customizable portfolio of the Platform Investments as recommended by FreemarketsAI.

There are no minimum or maximum account size requirements. However, FreemarketsAI reserves the right to impose a minimum or maximum account size or value in the future at its discretion. Fees are not negotiable. FreemarketsAI further reserves the right to require additional disclosure information from Clients and TPA Users with accounts in excess of One Hundred Thousand U.S. Dollars (\$100,000).

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

Methods of Analysis

Through quantitative and qualitative analysis and due diligence, FreemarketsAI builds custom portfolios for Clients that are available through the Website. FreemarketsAI selects the Platform Investments based on the strategies and indices selected by the Clients on the Website. FreemarketsAI then uses Client inputs to build a portfolio combining these instruments to reflect their desired risk profile, rebalancing periods, contingencies, liquidity preferences, and diversification. Alternatively, Clients may choose to build their own portfolio based on the Platform Investments.

The securities FreemarketsAI selects represent an array of investment options across a broad range of the following: asset classes such as ETFs, stocks, ADRs, fixed income, real estate, commodities, international stocks, options, derivatives, currency pairs across different liquidity thresholds, sizes, and geographies, in order to build a portfolio combining these instruments to reflect the Client's desired risk profile.

In FreemarketsAI's due diligence and analysis process, FreemarketsAI uses a form of quantitative analysis in which it analyzes the financial trajectory, valuation, economic relationships, shareholders, and historical performance.

Investment Strategies

FreemarketsAI uses a proprietary formula to help select the Platform Investments it recommends and/or makes available through the Website to each Client. Based on the application of FreemarketsAI's proprietary formula, which analyzes Client and TPA User-supplied data on risk appetite and financial status, FreemarketsAI makes available the investments that it believes would be suitable for that particular Client/TPA User. Thus, depending on a particular Client's and TPA User's risk appetite and financial status, only a portion of the investments on the Website may be made available to the particular Client or TPA User to select for investment. Once the spectrum of suitable investments is identified, FreemarketsAI's digital adviser recommends investments from among the suitable investments. All dividends from investments are automatically reinvested unless a Client elects otherwise. FreemarketsAI's recommendations are designed to promote diversification and return within the Client/TPA User-specific risk and suitability limits. Such recommendations may be amended by a Client and, if so desired, a Client can access all Platform Investments available on the Platform to build its own portfolio.

Risk of Loss

FreemarketsAI does not guarantee the future performance of any Client's or TPA User's account. Clients and TPA Users must understand that investments made via the Program involves substantial risk and are subject to various market, currency, economic, political, and business risks, and that those investment decisions and actions will not always be profitable. Clients and TPA Users may not get back the amount invested. Subject to the Advisers Act and FreemarketsAI's Managed Account Agreement, FreemarketsAI shall have no liability for any losses in a Client's or TPA User's account. The price of any security or the value of an entire asset class can decline for a variety of reasons outside of FreemarketsAI'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 FreemarketsAI's judgment or investment decisions about particular securities or asset classes will necessarily produce the intended results. FreemarketsAI's judgment may prove to be incorrect, and a Client or TPA User might not achieve his or her investment objectives. High volatility and/or the lack of deep and active liquid markets for a security may prevent a Client or TPA User from selling his or her securities at all, or at an advantageous time or price because FreemarketsAI and the Client's or TPA User's broker may have difficulty finding a buyer and may be forced to sell at a significant discount to market value. Finally, performance based fees can increase the risk of excessive trading in Client and TPA User accounts. The Program, by its automated nature, limits excessive trading risk, although human programming error may result in excessive trading. FreemarketsAI cannot guarantee any level of performance or that any Client or TPA User will avoid a loss of account assets. Any investment in securities involves the possibility of financial loss that Clients and TPA Users should be prepared to bear.

When evaluating risk, financial loss may be viewed differently by each Client or TPA User and may depend on many different risk items, each of which may 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 Client or TPA User before entering the Program. These risks should be considered as possibilities, with additional regard to their actual probability of occurring and the effect on a Client or TPA User if there is, in fact, an occurrence.

Market Risk - The price of any security or the value of an entire asset class can decline for a variety of reasons outside of FreemarketsAI'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 Client 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 Client account to underperform relative to the overall market.

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

Volatility and Correlation Risk - Clients and TPA Users should be aware that FreemarketsAI'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 Client or TPA 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 might not reflect actual future performance.

Liquidity and Valuation Risk - High volatility and/or the lack of deep and active liquid markets for a security may prevent a Client or TPA User from selling her securities at all, or at an advantageous time or price because FreemarketsAI and the Client's or TPA 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 FreemarketsAI values the securities held in Client and TPA User's accounts based on reasonably available exchange-traded security data, FreemarketsAI 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 FreemarketsAI.

Data Accuracy Risk – FreemarketsAI relies heavily on the use of use of third-party data for the use of its advisory services, specifically with regard to its analysis of the market and its algorithm. The interruption, delay, inaccuracy, or unavailability of such third-party data could impair FreemarketsAI's operations.

Credit Risk - FreemarketsAI cannot control, and Clients and TPA 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 Client or TPA User, notwithstanding asset segregation and insurance requirements that are beneficial to Clients and TPA 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 Clients or TPA 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 Client or TPA User. FreemarketsAI seeks to limit credit risk through ETFs, 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 dealing in natural resources). FreemarketsAI does not engage in financial or tax planning, and in certain circumstances, a Client or TPA User may incur taxable income on her investments without a cash distribution to pay the tax due.

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, 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 (a) the ETF will incur expenses and transaction costs not incurred by any applicable index or market benchmark; (b) certain securities comprising the index or market benchmark tracked by the ETF may, from time to time, temporarily be unavailable; and (c) supply and demand in the market for either the ETF and/or for the securities held by the ETF may cause the ETF shares to trade at a premium or discount to the actual net asset value of the securities owned by the ETF. Certain ETF strategies may from time to time include the purchase of fixed income, commodities, foreign securities, American Depositary Receipts, or other securities for which expenses and commission rates could be higher than normally charged for exchange-traded equity securities, and for which market quotations or valuation may be limited or inaccurate.

Clients and TPA Users should be aware that to the extent they invest in ETF securities, they will pay two levels of compensation - fees charged by FreemarketsAI and Third Party Advisors plus any management fees charged by the issuer of the ETF. This scenario may cause a higher cost (and potentially lower investment returns) than if a Client or TPA User purchased the ETF directly.

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

Inflation, Currency, and Interest Rate Risks - Security prices and portfolio returns will likely vary in response to changes in inflation and interest rates. Inflation causes the value of future dollars to be worth less and may reduce the purchasing power of an investor’s future interest payments and principal. Inflation also generally leads to higher interest rates, which in turn may cause the value of many types of fixed income investments to decline. 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 FreemarketsAI may be affected by the risk that currency devaluations affect Client or TPA User purchasing power.

Short Positions - FreemarketsAI’s recommended investment strategies may include the use of short-selling. Such practice can, in certain circumstances, substantially increase the impact of adverse price movements on such Client’s portfolio. A short sale of equity securities involves the

theoretical risk of an unlimited increase in the market price of securities sold short. A short sale of a debt instrument such as a bond involves the theoretical risk of an increase in the market price plus accrued interest. Moreover, short-selling is limited to securities that can be borrowed, and it may be necessary to cover short positions at an undesirable time and at undesirable prices because securities that were shorted can no longer be borrowed. In such cases, a Client can be “bought in” (i.e., forced to repurchase securities in the open market to return to the lender). There also can be no assurance that the securities necessary to cover a short position will be available for purchase at or near prices quoted in the market. Purchasing securities to close out a short position can itself cause the price of the securities to rise further, thereby exacerbating the loss.

Derivatives - FreemarketsAI’s recommended investment strategies may include the use of options. Options can serve to mitigate risk, but they can also enhance risk by amplifying losses. Purchasing options involves the risk that the underlying instrument will not change price in the manner expected, so that the investor loses its premium. Selling options involves potentially greater risk because the investor is exposed to the extent of the actual price movement in the underlying security rather than only the premium payment received (which could result in a potentially unlimited loss). Over-the-counter options also involve counterparty credit and solvency risk.

Algorithmic Trading - Clients and TPA Users are advised that the Program relies on computer models, data inputs and assumptions in generating trade orders or recommendations (as applicable). Statistical investing models, such as those used by FreemarketsAI, 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.

Cybersecurity and Technological Risks - FreemarketsAI and its service providers rely heavily on hardware and software systems and are therefore are subject to risks associated with a breach in cybersecurity and other technological failures, interruptions and inaccuracies. Cybersecurity is a generic term used to describe the technology, processes and practices designed to protect networks, systems, computers, programs and data from cyberattacks 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, cyberattacks are deliberate, but unintentional events may have similar effects. Cyberattacks or other technological failures, interruptions and inaccuracies may cause losses to FreemarketsAI’s Clients and TPA Users by interfering with the processing of transactions, affecting FreemarketsAI’s ability to calculate net asset value or impeding or sabotaging trading. Clients and TPA Users 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 FreemarketsAI to civil liability as well as regulatory inquiry and/or action. In addition, Clients and TPA Users could incur additional losses as a result of unauthorized use of their personal information. While we have established business continuity plans, incident response plans and systems designed to prevent cyberattacks and other technological failures, interruptions and inaccuracies, there are inherent limitations in such plans and systems, including the possibility that certain risks have not been identified. Similar types of cybersecurity and technological risks also are present for issuers of securities in which we invest, which could result in material adverse

consequences for such issuers, and may cause a Client's or TPA User's investment in such securities to lose value.

Investment Strategy Risks - There are risks associated with the long-term core strategic holdings. The more aggressive the investment strategy, the more likely the portfolio will contain larger weights in riskier asset classes, such as equities.

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 may 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.

Hard Asset Risks - The production and marketing of hard assets, such as precious metals, oil and gas, real estate and/or agricultural commodities, may be affected by geopolitical and environmental factors and are cyclical in nature. During periods of economic or financial instability, hard asset securities and other instruments may be subject to broad price fluctuations, reflecting the volatility of energy and basic materials prices and possible instability of supply of various hard assets. Hard asset securities, hard asset companies, and other instruments may also experience greater price fluctuations than the relevant hard asset. In periods of rising hard asset prices, such securities or instruments may rise at a faster rate; conversely, in times of falling hard asset prices, such securities may suffer a greater price decline.

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.

Venture Capital Risks - Venture capital-related investments have a very high degree of risk and often require a long-term commitment. Typically, venture capital-backed companies have limited or no operating history, unproven technology, untested management and unknown future capital requirements. These companies may face intense competition, often from established companies. These companies often require several rounds of financing before they reach maturity, which may have a significant negative impact on a fund that is unable to participate in subsequent rounds of financing.

Private Equity Risks - Private equity-related investments have a high degree of risk and often require a long-term commitment. A private equity fund typically makes a limited number of investments, resulting in a high degree of risk with respect to each investment. Upon disposition of an investment, a private equity fund may be required to make representations about the business and financial affairs of the disposed investment or may be responsible for the contents of disclosure documents under applicable securities laws. These arrangements may lead to contingent liabilities, which might lead to losses.

Reliance on Management and Other Third Parties - ETF investments will rely on third-party management and advisers, FreemarketsAI and the Third Party Advisors are not expected to 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. Performance-based fees paid to FreemarketsAI create similar risk incentives for FreemarketsAI.

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.

Socially Responsible Investing - Investments may focus on “low carbon” or other areas of socially responsible investing. 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 - Clients and TPA 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 Clients and TPA Users hold a significant portion of that investment may negatively impact the value of the investment.

Novel Coronavirus and Public Health Emergency. As of the date of the Brochure, there is an outbreak of a novel and highly contagious form of coronavirus (“COVID-19”), which the World Health Organization has declared to constitute a pandemic. The outbreak of COVID-19 has resulted in deaths, adversely impacted global commercial activity, and contributed to significant volatility in certain equity and debt markets. The global impact of the outbreak is rapidly evolving, and many countries, states and local governments have reacted by instituting quarantines, prohibitions on travel and/or the closure of offices, businesses, schools, retail stores and other public venues. Businesses are also implementing precautionary measures. Such measures, as well as the general uncertainty surrounding the dangers and impact of COVID-19, are creating significant disruption in supply chains and economic activity and are having a particularly adverse impact on transportation, hospitality, tourism, entertainment and other industries. As COVID-19 continues to spread, the potential impacts, including a global, regional or other economic recession, are increasingly uncertain and difficult to assess.

Any public health emergency, including any outbreak of COVID-19, SARS, H1N1/09 influenza, avian influenza, other coronavirus, Ebola or other existing or new epidemic diseases, or the threat thereof, could have a significant adverse impact on the Adviser and could adversely affect its ability to fulfill its investment objectives.

The extent of the impact of any public health emergency on the Adviser and its operational performance, and the financial performance of Clients and TPA Users, will depend on many factors, including the duration and scope of such public health emergency, the extent of any related travel advisories and restrictions implemented, the impact of such public health emergency on overall supply and demand, goods and services, investor liquidity, consumer confidence and levels of economic activity, and the extent of its disruption to important global, regional and local supply chains and economic markets, all of which are highly uncertain and cannot be predicted. The effects of a public health emergency may materially and adversely impact the value and performance of the Adviser’s ability to manage and direct investments and its ability to achieve its investment objectives, all of which could result in significant losses. In addition, the operations of the Adviser may be significantly impacted, or even temporarily or permanently halted, as a result of government or other quarantine measures, voluntary and precautionary restrictions on

travel or meetings and other factors related to a public health emergency, including its potential adverse impact on the health of any such entity's personnel.

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, Clients and TPA 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. FreemarketsAI does not have any legal, financial, regulatory, or other "disciplinary" item to report to any Client or TPA User. This statement applies to FreemarketsAI and to every employee of FreemarketsAI.

Item 10 – Other Financial Industry Activities and Affiliations

Registration as a Broker-Dealer or Broker-Dealer Representative

FreemarketsAI is neither registered nor has an application pending to register as a Financial Industry Regulatory Authority ("FINRA") member firm, nor is FreemarketsAI required to be or to do so.

Registration as a Futures Commission Merchant, Commodity Pool Operator, or a Commodity Trading Adviser

Neither FreemarketsAI nor any of its management persons are registered, nor has an application pending for registration, as a futures commission merchant, commodity pool operator, or commodity trading advisor. For the avoidance of any doubt, FreemarketsAI qualifies for an exemption as a commodity trading adviser under Section 4m(3) of the Commodities Exchange Act.

Relationships Material to This Advisory Business and Possible Conflicts of Interest

Neither FreemarketsAI nor its management persons have a relationship or arrangement that is material to its advisory business or to its Clients.

Selection of Other Advisers

FreemarketsAI does not utilize, recommend or select other investment advisors for its Clients or have any other business relationships with investment advisors other than the provision of the Program. Such arrangements do not create a material conflict of interest.

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

FreemarketsAI has adopted a code of ethics (the “Code of Ethics”) for all supervised persons of FreemarketsAI describing its high standard of business conduct, and fiduciary duty to its Clients. The Code of Ethics includes provisions relating to the confidentiality of Client and TPA 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 FreemarketsAI must acknowledge the terms of the Code of Ethics annually, or as amended.

FreemarketsAI anticipates that, in appropriate circumstances, consistent with Clients’ investment objectives, it will cause accounts over which FreemarketsAI has authority to effect the purchase or sale of securities in which FreemarketsAI, its management persons and/or Clients, directly or indirectly, have a position of interest. FreemarketsAI’s employees and persons associated with FreemarketsAI are required to follow FreemarketsAI’s Code of Ethics. Subject to satisfying this policy and applicable laws, officers, directors and employees of FreemarketsAI may trade for their own accounts in securities which are recommended to and/or purchased for FreemarketsAI’s Clients. The Code of Ethics is designed to assure that the personal securities transactions, activities and interests of the employees of FreemarketsAI will not interfere with (a) making decisions in the best interest of Clients and (b) 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, based upon a determination that personal employee transactions in these types of securities would not materially interfere with the best interest of FreemarketsAI’s Clients. Employee trading is continually monitored under the Code of Ethics, and to reasonably prevent conflicts of interest between FreemarketsAI and its Clients.

Employees’ accounts may trade in the same securities with Client accounts on an aggregated basis when consistent with FreemarketsAI’s obligation of best execution. In such circumstances, employee and Client accounts will share commission costs equally and receive securities at a total average price. FreemarketsAI will retain records of the trade order (specifying each participating account) and its allocation, which will be completed prior to the entry of the aggregated order. Completed orders will be allocated as specified in the initial trade order. Partially filled orders will be allocated on a pro rata basis. Any exceptions will be explained on the order.

It is FreemarketsAI’s policy that FreemarketsAI will not affect any principal or agency cross securities transactions for Client accounts. FreemarketsAI will also not cross trades between Client accounts.

Item 12 – Brokerage Practices

As previously mentioned, a Client selects the Clearing Firm through which transactions are executed. Not all investment advisers require Clients to direct their brokerage; however, FreemarketsAI believes this model provides the most flexibility for its Clients and allows the Program to seamlessly integrate into any platform currently implemented by a Client. However, requiring a Client to direct brokerage may cost Clients more money as FreemarketsAI will be unable to batch larger transactions from multiple Clients that use different Clearing Firms. This

may also cause FreemarketsAI to be unable to achieve the most favorable execution of Client transactions.

Item 13 – Review of Accounts

FreemarketsAI provides all Clients and TPA Users with continuous access to the Website or through a Third Party Advisor's website and/or mobile app regarding information about account status, portfolio allocations, securities, and balances. FreemarketsAI relies primarily on proprietary software to review the portfolios quarterly to ensure that they are in line with investment objectives. Additional reviews may be triggered by material changes in variables such as a Client's or TPA User's individual circumstances, or the market, political or economic environment.

Clients and TPA Users have access to current account balances and positions through the Website or through a Third Party Advisor's website and/or mobile app (which website and/or mobile app will generally be hosted by FreemarketsAI). The Clearing Firm prepares account statements showing all transactions and account balances during the prior quarter. All information relating to Client and TPA User accounts are provided on the Website or through a Third Party Advisor's website and/or mobile app and/or sent via email, as agreed to with each Client or TPA User at the time of their account opening. On a quarterly basis, FreemarketsAI and/or the Third Party Advisor, as applicable, reviews each Client or TPA User account and reminds them to review and update the profile information previously provided. FreemarketsAI requests that Clients and TPA Users reconfirm their current profile information as needed and on an annual basis. FreemarketsAI and/or the Third Party Advisor, as applicable, conduct reviews when material changes may have occurred to a Client or TPA User's portfolio or investment objectives. When performed by FreemarketsAI, FreemarketsAI will retain the Client or TPA User account review documentation in its database. FreemarketsAI considers implications and the volatility associated with each of its chosen asset classes when deciding when and how to rebalance.

Item 14 – Client Referrals and Other Compensation

FreemarketsAI and its related persons do not receive an economic benefit (such as sales awards or other prizes) from any third party for providing investment advice or other advisory services to Clients. However, FreemarketsAI may receive from a broker-dealer or a fund company, without cost and/or at a discount, certain services and/or products, to assist in monitoring and servicing Client and TPA User accounts. These may include investment-related research, pricing information and market data, software and other technology that provide access to Client and TPA User account data, compliance and/or practice management-related publications, discounted or free consulting services, discounted or free attendance at conferences, meetings, and other educational or social events, marketing support, computer hardware or software, and other products used by FreemarketsAI to assist FreemarketsAI in the Firm's investment advisory business operations.

FreemarketsAI may offer cash payments for Client solicitations in accordance with CFR 275.206(4)-3.

FreemarketsAI may pay a cash fee to Clients for referrals of other potential clients to the Program. Such Clients acting as solicitors are independent contractors and will not provide investment

advisory services of any type to the referred Clients. FreemarketsAI will provide or make available its current Form ADV Part 2A, Part 2B and, if applicable, Part 3 to such solicitors. FreemarketsAI will also provide or make available its current privacy policy to such solicitors if needed.

Item 15 – Custody

All Client investments are held with the Clearing Firm as designated by the Client.

The Clearing Firm will act as the broker and qualified custodian for a Client's Account. The Clearing Firm will establish and carry a brokerage account that holds Client and TPA Users securities and cash, and records Client and TPA User transactions in the platform. Neither FreemarketsAI nor any investment service provider engaged by FreemarketsAI is responsible for the obligations of the Clearing Firm or any successor custodian.

The Clearing Firm prepares account statements showing all transactions and account balances during the prior quarter. All information relating to Client and TPA User accounts are provided on the Website or through a Third Party Advisor's website and/or mobile app and/or sent via email, as agreed to with each Client or TPA User at the time of their account opening. Clients are urged to compare the account statements they receive from the Clearing Firm with those provided on the platform.

Item 16 – Investment Discretion

FreemarketsAI provides both discretionary and non-discretionary advisory services through the Program. Clients, on its own behalf and/or on behalf of TPA Users as applicable, will execute a power of attorney with FreemarketsAI in the event FreemarketsAI has discretionary authority over a Client and/or TPA User account.

Item 17 – Voting Client Securities

As a matter of firm policy and practice, FreemarketsAI does not have any authority to and does not vote proxies on behalf of Clients or TPA Users. Clients (or TPA Users) retain the responsibility for receiving and voting proxies for any and all securities maintained in such Client's (or TPA User's) portfolio. Clients (or TPA Users) will receive proxies and other solicitations directly from the designated custodian.

FreemarketsAI will neither advise nor act on behalf of the Client (or TPA User) in legal proceedings involving companies whose securities are held or previously were held in the Client's (or TPA User's) account(s), including, but not limited to, the filing of "Proofs of Claim" in class action settlements.

Item 18 – Financial Information

Balance Sheet

FreemarketsAI does not require or solicit the prepayment of any fees six months or more in advance and, therefore, does not need to include a balance sheet with this Brochure.

Financial Condition

Neither FreemarketsAI nor any of its management persons, at this time, have any adverse financial condition that is reasonably likely to impair FreemarketsAI's ability to continuously meet its contractual commitments to its Clients.

Clients should be aware that FreemarketsAI is a startup new to its business, and there is no guarantee that it will be successful. If FreemarketsAI is not successful, it will terminate its contracts with Clients, who will receive a refund of the assets in their accounts.

In response to the COVID-19 pandemic, FreemarketsAI applied for, and received, a Paycheck Protection Program ("PPP") loan as established by the U.S. Small Business Administration in order to pay FreemarketsAI employees in light of the current and expected investment environment. FreemarketsAI shall use the proceeds of the PPP loan solely for payroll purposes.

Bankruptcy Petitions in Previous Years

FreemarketsAI has not been the subject of a bankruptcy proceeding in the last ten years.