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# **FORM ADV PART 2A - APPENDIX WRAP FEE PROGRAM CLIENT BROCHURE**

Trinary Capital, LLC.

2928 Monogram Avenue, Long Beach, CA 90815

[www.trinarycapital.com](http://www.trinarycapital.com) | 1-714-768-3903

**This wrap fee program brochure provides information about the qualifications and business practices of Trinary Capital, LLC. (“Trinary”), specifically its wrap fee program. If you have any questions about the contents of this brochure, please contact our Chief Compliance Officer at 1-323-333-0291 or [www.trinarycapital.com](http://www.trinarycapital.com). The information in this wrap fee program brochure has not been approved or verified by the United States Securities and Exchange Commission or by any state securities authority.**

**Trinary Capital is a registered investment adviser. Registration of an investment adviser does not imply any level of skill or training.**

**Additional information about Trinary is also available on the SEC’s website at [www.adviserinfo.sec.gov](http://www.adviserinfo.sec.gov).**

## **ITEM 2 MATERIAL CHANGES**

None.

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## ITEM 4 SERVICES, FEES AND COMPENSATION

Below are the standard fees generally quoted for prospective clients in Trinary's Roboadvisory wrap fee program. Unless otherwise specified below or in the advisory contract that Trinary enters into with a particular client, Trinary's fees will be automatically deducted from client accounts on a quarterly basis, in arrears. Aside from the wrap fee, clients should not typically incur any additional fees from Trinary or through Trinary's online broker-dealer, TradingFront. Trinary only offers wrap fee Roboadvisory services and, accordingly, any investment advisory services the client seeks from Trinary are offered through the Roboadvisory wrap fee program. The client may be able to utilize TradingFront's digital broker-dealer services for their own use or through another third-party that may cost less than Trinary's wrap fee program. The client remains free to open a TradingFront account through their website, unaffiliated with Trinary if they so desire; however, the terms and conditions of the wrap fee program and any client advisory agreement pertain only to Trinary's Roboadvisory investment services and not any investment that a client may do on their own or through an unaffiliated third party.

Trinary imposes investment minimums on retail accounts—typically a \$250 minimum deposit for a retail client.

### **Fees for Institutional Accounts and Retail Client Accounts**

When Trinary provides portfolio management services to an institutional or retail client through an Account, Trinary will charge each such Account a fee at a specified annual percentage rate of the account's assets under management. Trinary's standard fee rates for client Accounts are listed below. However, the fees charged to Accounts may be negotiable and may typically vary depending on a number of factors including, but not limited to:

- the type of client;
- whether the client wishes to impose restrictions on the Roboadvisory's discretionary investment authority (*e.g.*, restrictions on the types of securities that Trinary may acquire for the account); and
- the amount of client assets under management with Trinary.

#### **Standard Rates**

<b>\$250 - \$5,000 AUM = 1.55%</b>
<b>\$5,001 - \$10,000 AUM = 1.50%</b>
<b>\$10,001 - \$15,000 AUM = 1.45%</b>
<b>\$15,001 - \$25,000 AUM = 1.375%</b>
<b>\$25,001 - \$50,000 AUM = 1.40%</b>
<b>\$50,001 - \$250,000 AUM = 1.35%</b>
<b>\$250,001 AUM and up = 1.15%</b>

### **General Information about Fees**

**Refunds of Pre-Paid and Unearned Advisory Fees.** Trinary's advisory contracts with clients typically can be terminated at any time by either party upon written notice to the other party. If an advisory contract is terminated, Trinary will refund to the client any unearned and pre-paid advisory fees. A copy of Trinary's typical client advisory agreement is available on <https://trinarycapital.com/>.

**Portfolio Values for Fee Calculations.** For purposes of calculating the amount of any asset-based fee owed and payable to Trinary, Trinary generally determines portfolio valuations by looking at a client's account balance.

Services to Employees, Family and Friends of Trinary. Trinary may provide Roboadvisory portfolio management services to certain Trinary principals, employees, and their family members and friends without charge, or for fees that are lower than the fees available to other clients.

Tax Implications - Sale of Existing Positions upon Transition to Trinary. Unless a client otherwise directs Trinary to retain transferred assets when transferring funds to a new Trinary Roboadvisory account, Trinary will sell all securities transferred into an account if Trinary does not believe the securities are suitable or consistent with the Trinary investment strategy most applicable for that client's chosen investment goals. Trinary will then use the proceeds to buy securities appropriate for that client pursuant to the client's questionnaire responses and the Roboadvisory's algorithms. Trinary does not consider tax consequences to a client when selling transferred securities.

## **ITEM 5 ACCOUNT REQUIREMENTS AND TYPES OF CLIENTS**

Trinary typically requires a minimum deposit of \$250 USD to open a client Roboadvisory account. Trinary reserves the right in its sole discretion to waive account minimums and to create customized investment strategies for clients pursuant to the Roboadvisory algorithmic tool.

The following information describes the types of clients to which Trinary provides portfolio management services.

### **Institutional Accounts**

Trinary will manage an Institutional Account pursuant to the client's responses to the detailed questionnaire filled out during account sign-up and Trinary's proprietary Roboadvisory algorithmic tool. Clients may limit or restrict Trinary's management of the account. However, Trinary reserves the right not to enter into a contract with a prospective client, or to terminate an agreement with an existing client, if the proposed limitation or restriction is likely, in Trinary's opinion, to impair its ability to provide services to a client or is otherwise administratively or practically not feasible. The investment strategies that Trinary utilizes in providing Roboadvisory investment services to Institutional Accounts are described in Item 8 below.

### **Retail Client Accounts**

Trinary will manage Retail Client Accounts pursuant to the client's responses to the detailed questionnaire filled out during account sign-up and Trinary's proprietary Roboadvisory tool. Clients may limit or restrict Trinary's management of the account. However, Trinary reserves the right not to enter into a contract with a prospective client, or to terminate an agreement with an existing client, if the proposed limitation or restriction is likely, in Trinary's opinion, to impair its ability to provide services to a client or is otherwise administratively or practically not feasible. The investment strategies that Trinary utilizes in providing Roboadvisory investment services to Institutional Accounts are described in Item 8 below.

## ITEM 6 PORTFOLIO MANAGER SELECTION AND EVALUATION

Trinary Capital, through its proprietary Roboadvisory algorithmic tool, directly manages the portfolios of its clients pursuant to each client's Advisory Agreement and in conjunction with each client's unique financial goals and personal information as provided through Trinary's online applications and filtered through the Roboadvisory's investment algorithm. Third party portfolio managers are currently not utilized, selected, or recommended to clients except to the extent Trinary may submit trading orders to its affiliated broker-dealer/custodian (which orders are solely within Trinary's, not the broker-dealer's, discretion). Based on this information, Trinary's Roboadvisory algorithm will recommend a portfolio and investment strategy for each of the client's financial goals and account types. Under certain circumstances, based primarily on prior investment experience, Trinary may waive some or all of the selection criteria for any investment described in this Brochure, at their sole discretion, in accordance with an investor's wishes; provided it is deemed suitable for the investor and in their "best interest" according to their investment profile.

The Roboadvisory algorithmic tool continuously reviews clients' accounts to confirm each portfolio meets the targets described by the client's personalized investment goals. If a portfolio deviates from the targets described by a certain set of investment goals, Trinary Capital's Roboadvisory algorithmic tool will update and adjust the account's investment strategy(ies) or allocations to better reflect the client's goals. Clients will be automatically notified when this rebalancing occurs. Further, members of the advisory and compliance teams sometimes may conduct focused reviews of accounts when triggered by certain account activity to ensure that account performance is consistent with client guidelines, but clients should be aware that individual accounts are generally not actively monitored directly by investment advisory personnel.

Except for certain relationships, Trinary generally performs advisory services for each client under the terms of an investment advisory agreement with that client—either online or offline. Within a given investment strategy – and consistent with the stated investment objectives, policies and restrictions of that investment strategy – Trinary typically exercises exclusive investment advising discretion regarding the purchase or sale of securities for clients. Trinary may also agree to manage a client's account subject to certain reasonable restrictions that the client imposes on the inclusion of specific securities, or types of securities, within that account. Additional detail about Trinary's investment strategies is provided below.

Performance-Based Fees. Trinary does not charge a performance fee to clients at this time.

Methods of Analysis, Investment Strategies, and Risk of Loss. Trinary's proprietary Roboadvisory algorithmic tool considers a broad range of equity and fixed income investment strategies to align with and best fit a client's unique investment goals. These investment strategies are based upon the answers to the online client questionnaire, which are analyzed according to our proprietary algorithm to assess a client's risk appetite and suitability for certain investments, as well as assess each client's individual goals.

The following is a brief description of some of the primary investment strategies that the Roboadvisory algorithmic tool may utilize in its algorithm pursuant to a client's stated investment goals, including but not limited to the investment objectives that align with each strategy and the material risks associated with an investment in that strategy. There is no assurance that a particular investment strategy or strategies utilized by the Roboadvisory algorithmic tool will meet its investment objectives. Additionally, the investment strategies and techniques that the Roboadvisory algorithmic tool may use for a particular client will vary over time depending on various factors, including, most importantly, the client's investment goals at a particular point in time and changing circumstances and time horizons.

**Summaries of investment objectives, principal investment strategies and material risks provided below are necessarily limited and are presented for general information purposes. Consequently, these summaries are in all instances qualified and superseded by the descriptions of objectives,**

**strategies and risks, portfolio reports, and other communications that are provided to each client in connection with the creation and maintenance of the client's own account with Trinary.**

Investing in securities involves the risk of loss of money, and clients investing their money with Trinary should be prepared to bear that loss. The Roboadvisor through which Trinary provides portfolio management services is not a deposit in any bank, nor are they insured or guaranteed by the Federal Deposit Insurance Corporation or any other governmental agency.

**Equity Investment Strategies – Objectives, Principal Investment Strategies and Material Risks**

*Note: The narrative discussion of each equity investment strategy includes a list of the material risks that are associated with an investment in that investment strategy. A description of each of the named risks is included at the end of this Item 8, following the narrative discussion of all the equity, alternative, fixed income, municipal and multi-asset investment strategies.*

*Strategy #1 Liquid Alternatives Portfolio Strategy*

*Investment Objective(s):* The strategy seeks long term capital appreciation by investing in alternative asset classes in mutual fund or ETF format. The strategy keeps exposure to the S&P 500 in a risk adjusted sense by targeting the beta to equities to some prescribed amount.

*Principal Investment Strategies:* The strategy typically invests in a basket of liquid alternative strategies in ETF and Mutual Fund format. Liquid alternatives can provide returns diversification to a portfolio of stocks and bonds. Alternative beta sources have historically not been accessible to non-accredited investors due to the legal structure of limited partnerships, but mutual funds and ETF versions of those same strategies allow investors to access similar strategies to hedge funds at lower costs. This portfolio strategy allows a proprietary mixing of liquid alternatives designed to increase diversification to a typical portfolio consisting of equities and bonds.

*Material Risks:* Credit Risk; Foreign Investment Risk; Interest Rate Risk; Liquidity Risk; Management Risk; Market and Economic Risk; Risks Affecting Specific Issuers; Smaller Company Risk.

*Strategy #2 Smart Beta Factors Portfolio Strategy*

*Investment Objective(s):* The strategy seeks the implementation of smart beta into a domestic equity portfolio using quantitative methods to track the performance of the S&P 500 at lower fees and lower active risk. The aim is to give passive-like performance of the S&P 500 while preserving the upside after fees.

*Principal Investment Strategies:* The strategy invests primarily in smart beta factors in mutual fund or ETF form. Smart beta may include the following quantitative factors: value; momentum; quality; dividend growth; size; and low volatility. These factors may be combined in a quantitative way that aims to keep the same risk as the S&P 500. A passive investment in the S&P 500 in ETF form may lag the actual S&P 500 index after fees. By constructing a replication portfolio of smart beta factors, the same risk profile can be achieved without necessarily locking in the underperformance that can happen with passive investments.

*Material Risks:* Credit Risk; Developing Country Risk; Foreign Investment Risk; Interest Rate Risk; Liquidity Risk; Management Risk; Market and Economic Risk; Risks Affecting Specific Issuers; Smaller Company Risk.

*Strategy #3 Liability Driven Investing Portfolio Strategy*

*Investment Objective(s):* The strategy seeks to duration neutralize a stream of liabilities using quantitative techniques.



*Principal Investment Strategies:* The strategy invests primarily in bond ETFs to form a portfolio whose duration is close to an investor's liabilities stream. It does this through quantitative methods. While a typical LDI bond portfolio considers only the duration of the investor's planned spending, this method also addresses the convexity to mitigate the adverse effects of a pure duration approach.

*Material Risks:* Credit Risk; Developing Country Risk; Foreign Investment Risk; Interest Rate Risk; Liquidity Risk; Management Risk; Market and Economic Risk; Risks Affecting Specific Issuers; Smaller Company Risk.

#### *Strategy #4 Tactical Allocation Portfolio Strategy*

*Investment Objective(s):* The strategy seeks to implement a portfolio expressing the views based on short term market and economic conditions that are expected to play out over a duration of 6 months to 15 months.

*Principal Investment Strategies:* The strategy may invest in ETFs, mutual funds, or SMAs that allow the management to implement tactical asset allocation views separate from longer term views. This portfolio is not a core holding and is meant as a possible supplement to strategic asset allocation for investors with the appropriate risk tolerance. Absent of tactical allocation views, the portfolio defaults to a 60-40/40-60 mix of stocks/bonds. An example of a tactical allocation view may also be a specific sector call (underweight or overweight) within equities. Another might be a style call within equities of value versus growth.

*Material Risks:* Foreign Investment Risk; Liquidity Risk; Management Risk; Market and Economic Risk; Real Estate Risk; Risks Affecting Specific Issuers; Smaller Company Risk.

#### *Strategy #5 Balanced Strategic Asset Allocation Portfolio Strategy*

*Investment Objective(s):* This strategy expresses the appropriate asset allocation for a typical investor with balanced preferences of stocks to bonds, possibly 60/40.

*Principal Investment Strategies:* The strategy invests in ETFs, mutual funds, SMAs, single stocks, and individual bonds. The strategy may invest in large cap growth, large cap value, mid cap growth, mid cap value, small cap growth, small cap value, international large cap growth, international large cap value, international small cap, emerging markets, domestic core bonds, domestic short duration bonds, domestic high yield, and international bonds.

*Material Risks:* Foreign Investment Risk; High Yield Risk; Liquidity Risk; Management Risk; Market and Economic Risk; Real Estate Risk; Risks Affecting Specific Issuers; Smaller Company Risk.

#### *Strategy #6 Conservative Strategic Asset Allocation Portfolio Strategy*

*Investment Objective(s):* This strategy expresses the appropriate asset allocation for a typical investor with balanced preferences of stocks to bonds, possibly 20/80.

*Principal Investment Strategies:* The strategy invests in ETFs, mutual funds, SMAs, single stocks, and individual bonds. The strategy may invest in large cap growth, large cap value, mid cap growth, mid cap value, small cap growth, small cap value, international large cap growth, international large cap value, international small cap, emerging markets, domestic core bonds, domestic short duration bonds, domestic high yield, and international bonds.

*Material Risks:* Foreign Investment Risk; High Yield Risk; Liquidity Risk; Management Risk; Market and Economic Risk; Real Estate Risk; Risks Affecting Specific Issuers; Smaller Company Risk.

### *Strategy #7 Aggressive Strategic Asset Allocation Portfolio Strategy*

*Investment Objective(s):* This strategy expresses the appropriate asset allocation for a typical investor with balanced preferences of stocks to bonds, possibly 80/20.

*Principal Investment Strategies:* The strategy invests in ETFs, mutual funds, SMAs, single stocks, and individual bonds. The strategy may invest in large cap growth, large cap value, mid cap growth, mid cap value, small cap growth, small cap value, international large cap growth, international large cap value, international small cap, emerging markets, domestic core bonds, domestic short duration bonds, domestic high yield, and international bonds.

*Material Risks:* Foreign Investment Risk; High Yield Risk; Liquidity Risk; Management Risk; Market and Economic Risk; Real Estate Risk; Risks Affecting Specific Issuers; Smaller Company Risk.

### *Strategy #8 International Equity Strategy – Asia Focused*

*Investment Objective(s):* The strategy seeks long-term capital appreciation. The strategy normally invests at least 90% of assets outside the United States in at least 12 markets in Asia. The strategy typically invests in a selection of growth stocks that the Robo advisory algorithmic tool believes will have growing revenues and earnings.

*Principal Investment Strategies:* The strategy typically invests in a limited number of common stocks selected on a value basis using fundamental research. The strategy is diversified to include basic value stocks, but also includes stocks of companies with consistent earning characteristics and significant growth characteristics, such as technology stocks. The strategy may also invest in stocks that are considered opportunistic in nature with significant upside potential at IPO. The strategy may invest in companies considered larger cap and medium cap and listed on major Asian Market Indexes.

*Material Risks:* Credit Risk; Developing Country Risk; Foreign Investment Risk; Interest Rate Risk; Liquidity Risk; Management Risk; Market and Economic Risk; Risks Affecting Specific Issuers; Smaller Company Risk.

### *Strategy #9 GenInvest Equity Strategy*

*Investment Objective(s):* The strategy seeks risk neutral returns over short and intermediate durations.

*Principal Investment Strategies:* This strategy uses advanced machine learning to screen equity shares for markers indicative of explosive growth in the near to intermediate term. Portfolios are built around a collection of U.S. equities which show the greatest probability for maximum growth as determined via genetic algorithms, a computer simulation analogous to biological natural selection. Fitness is determined via artificial neural networks trained and tested from a pool drawn from 22 years of data from all major U.S. exchanges, selected based on economic factors. This strategy's portfolio is designed to make market volatility work in favor of the investor.

*Material Risks:* Credit Risk; Interest Rate Risk; Liquidity Risk; Management Risk; Market and Economic Risk; Prepayment Risk; Risks Affecting Specific Issuers; Smaller Company Risk.

### **Descriptions of Example Material Risks**

*Credit Risk* – If debt obligations held by an account are downgraded by ratings agencies or go into default, or if management action, legislation or other government action reduces the ability of issuers to pay principal and

interest when due, the value of those obligations may decline, and an account's value may be reduced. Because the ability of an issuer of a lower-rated or unrated obligation (including particularly "junk" or "high yield" bonds) to pay principal and interest when due is typically less certain than for an issuer of a higher-rated obligation, lower rated and unrated obligations are generally more vulnerable than higher-rate obligations to default, to ratings downgrades, and to liquidity risk. Political, economic and other factors also may adversely affect governmental issues.

*Derivatives Risk* – Investments in derivatives involve the risks associated with the securities or other assets underlying the derivatives, and also may involve risks different or greater than the risks affecting the underlying assets, including the inability or unwillingness of the other party to a derivative to perform its obligations to an account, an account's inability to sell, or delays in selling or closing, positions in derivatives, and difficulties in valuing derivatives.

*Developing Country Risk* – The risks that may affect investments in foreign issuers (see "Foreign Investment Risk," below) may be more pronounced for investments in developing countries because the economies of those countries are usually less diversified, communications, transportation and economic infrastructures are less developed, and developing countries ordinarily have less established legal, political, business and social frameworks. At times the prices of equity securities or debt obligations of a developing country issuer may be extremely volatile. An issuer domiciled in a developed country may be similarly affected by these developing country risks to the extent that the issuer conducts a significant percentage of its business in developing countries.

*Focused Investment Risk* – An investment strategy that invests in a focused portfolio of issuers may be subject to increased risk because changes in the value of one of the issuers may have a greater impact on the total value of the portfolio than if the portfolio is invested in a larger number of issuers. Further, to the extent that some of the issuers in the portfolio are in the same or related industries or sectors, any economic, political, regulatory or other event affecting one of those industries or sectors may have a greater impact on the total value of the portfolio.

*Foreign Investment Risk* – Investments in securities of foreign issuers may involve risks including adverse fluctuations in currency exchange rates, political instability, confiscations, taxes or restrictions on currency exchange, difficulty in selling foreign investments, and reduced legal protection. These risks may be more pronounced for investments in developing countries.

*High Yield Risk* – Debt obligations that are rated below investment grade and unrated obligations of similar credit quality (commonly referred to as "junk" or "high yield" bonds) may have a substantial risk of loss. These obligations are generally considered to be speculative with respect to the issuer's ability to pay interest and principal when due. These obligations may be subject to greater price volatility than investment grade obligations, and their prices may decline significantly in periods of general economic difficulty or in response to adverse publicity, changes in investor perceptions or other factors. These obligations may also be subject to greater liquidity risk.

*Interest Rate Risk* – When interest rates increase, the value of the account's investments may decline, and the account's share value may be reduced. This effect is typically more pronounced for intermediate and longer-term obligations. This effect is also typically more pronounced for mortgage- and other asset-backed securities, the value of which may fluctuate more significantly in response to interest rate changes. When interest rates decrease, the account's current income may decline.

*Liquidity Risk* – Due to a lack of demand in the marketplace or other factors, an account may not be able to sell some or all of the investments promptly or may only be able to sell investments at less than desired prices. The market for lower-rated and unrated debt obligations (including particularly "junk" or "high yield" bonds) and

debt obligations backed by so-called “subprime” mortgages may be less liquid than the market for other obligations, making it difficult for an account to value its investment in a lower-rated or unrated obligation or to sell the investment in a timely manner or at an acceptable price

*Management Risk* – Trinary client accounts are actively managed portfolios, and the value of the accounts may be reduced if Trinary pursues unsuccessful investments or fails to correctly identify risks affecting the broad economy or specific issuers in which the accounts invest.

*Market and Economic Risk* – The value of an account’s investments may decline due to changes in general economic and market conditions. The value of a security held in an account may change in response to developments affecting entire economies, markets or industries, including changes in interest rates, political and legal developments, changes in Federal Reserve policy, and general market volatility.

*Prepayment Risk* – When market interest rates decline, certain debt obligations held by an account may be repaid more quickly than anticipated, requiring the account to reinvest the proceeds of those repayments in obligations that bear a lower interest rate. Conversely, when market interest rates increase, certain debt obligations held by an account may be repaid more slowly than anticipated, causing assets of the account to remain invested in relatively lower yielding obligations. These risks may be more pronounced for investments in mortgage-backed and asset-backed securities.

*Real Estate Risk* – Investments in real estate investment trusts (“REITs”) are subject to risks affecting real estate investments generally (including market conditions, competition, property obsolescence, changes in interest rates and casualty to real estate), as well as risks specifically affecting REITs (the quality and skill of REIT management and the internal expenses of the REIT).

*Risks Affecting Specific Issuers* – The value of an equity security or debt obligation may decline in response to developments affecting the specific issuer of the security or obligation, even if the overall industry or economy is unaffected. These developments may include a variety of factors, including but not limited to management issues or other corporate disruption, political factors adversely affecting governmental issuers, a decline in revenues or profitability, an increase in costs, or an adverse effect on the issuer’s competitive position.

*Short Sale Risk* – A short sale involves the sale of a borrowed security, in anticipation of purchasing that same security at a lower price in the future in order to close the short position. If the value of the borrowed security increases between the date the account enters into the short sale and the date that the account buys that security to cover its short position, the account may experience a loss.

*Smaller Company Risk* – Investments in small-capitalization companies and mid-capitalization companies, including smaller, earlier stage companies, may involve additional risks. These risks may be relatively higher with smaller companies. These additional risks may result from limited product lines, more limited access to markets and financial resources, greater vulnerability to competition and changes in markets, lack of management depth, increased volatility in share price, and possible difficulties in valuing or selling these investments.

*Structured Products Risk* – Investments in structured finance arrangements, including CMOs, CDOs, CBOs and CLOs, involve the risks associated with the underlying pool of securities or other assets, and also may involve risks different or greater than the risks affecting the underlying assets. In particular, these investments may be less liquid than other debt obligations, making it difficult for an account to value its investment or sell the investment in a timely manner or at an acceptable price.

## ITEM 7 CLIENT INFORMATION PROVIDED TO PORTFOLIO MANAGERS

For purposes of compliance and to best allocate our clients' investments via the Roboadvisory algorithmic tool, Trinary must collect an amount of quantifiable data from our clients. There is a strong precedence of this being accomplished through online questionnaires among existing Roboadvisory investment service providers. During the sign-up process, Trinary will obtain from clients all information necessary to maintain regulatory compliance and best serve our clients' intent. Clients can expect to answer questions about their age, annual income, investment goals, marital and familial status, knowledge of financial markets and investing, level of investing experience, expected or desired annual return for long-term investments, largest allowable draw-down on investment accounts, time horizons, and emergency funds, among others. Client information provided through the online questionnaire is then processed by the Roboadvisory algorithmic tool to select an investment strategy or strategies that best aligns with the client's stated investment goals.

Trinary will query new clients via a web interface at [www.trinarycapital.com](http://www.trinarycapital.com), presenting questions in plain English text, with provisions for disabled accessibility as required. Answers will be provided via text entry dialog boxes, multiple choice radio buttons, and drop-down menus. Information collected will include, though is not limited to: name, age, marital status, children and their ages, income, debt, experience with investing, and financial goals. This information will be used primarily to develop the client's risk tolerance profile which is in turn used by the Roboadvisory algorithmic tool and overseen by Trinary's investment team to allocate the client's funds appropriately.

However, for a retailer investor, choosing a financial advisor is akin to choosing a mechanic or doctor. It's a relationship that requires extraordinary trust in the professional to deliver a critical, and often perceived as arcane, service. Building this rapport and trust involves more than a simple questionnaire. This can be achieved easily through conversation in the family office setting. To bring this intimacy of service to the digital family office experience, Trinary intends, in later iterations of our interface, to launch an interactive online questionnaire. This will provide a more conversational approach, reply to client input in a meaningful way, and ask follow-on questions dictated in part by previous client answers. For instance, it only makes sense to ask about an outstanding mortgage balance if the client has already said he/she has a mortgage.

Diagrammatically, this will follow a tree structure with branching dialogue options depending on the client's responses to previous questions. The prototype dialogue tree currently under development has over one billion unique conversations, each corresponding to a slightly different investor profile. The interface will be the same, relying on questions and responses printed to the client's screen in plain English text and multiple-choice radio buttons or text entry fields to receive client input.

These conversations have been patterned after verbal conversations typical of a client interaction with a financial advisor. This allows us to gain a deeper understanding of the client's current financial situation, life situation, and financial goals while delivering the family office experience in an automated, web-based environment. Trinary can leverage the additional information gained beyond a simple risk assessment and instead create an entire investor profile using a holistic approach of market risk, desire for safety, aspirational goals, and life and family situation, while simultaneously making the client feel more included throughout the interactive process.

Completion of the online interactive survey from start to finish takes about 15 minutes. Clients will be asked to participate in a similar interactive questionnaire annually to reassess their current investments, track changes to their investor profiles (such as changes to family, life, and income), and assess satisfaction with Trinary's services over the preceding year. Trinary believes regularly engaging our clients in an interactive and automated manner, reminiscent of human conversation, will provide them with higher confidence in Trinary and investing in general, and will help us continue to deliver the best financial advice and investment vehicles to meet their changing financial goals.

Voting Securities. Trinary accepts authority to vote proxies on behalf of its clients in most, but not all client accounts. When Trinary has the authority (which will be set forth in the client's agreement with Trinary), Trinary will follow its written proxy voting policies and procedures ("Proxy Policy"). The Proxy Policy states that proxies are an asset of the account and are to be voted to enhance the value of the security or to reduce the potential for a decline in the value of a security. The Proxy Policy authorizes Trinary to delegate certain functions to service providers.

Trinary will not be able to vote proxies when the proxy materials are delivered late or without enough advance notice for Trinary to evaluate the issues and cast the votes. Trinary does not control the setting of record dates, shareholder meeting dates, or the timing or manner of distribution of proxy materials and ballots relating to shareholder votes. In addition, administrative matters beyond Trinary's control may at times prevent Trinary from voting proxies in certain non-U.S. markets.

Conflicts can arise between Trinary's interest and the interest of clients. When Trinary believes that a proxy vote involves an actual conflict of interest, and the vote relates to the election of a director in an uncontested election or ratification of selection of independent accountants, Trinary votes in accordance with the recommendation of its proxy voting service. If no recommendation is available, or if the proxy vote involves other matters, Trinary Capital will inform the client of the conflict and refers the matter to the client for a decision.

Trinary may decline to vote in a number of situations, including when an issue is not relevant to the Proxy Policy's voting objective or where Trinary believes it is not possible to ascertain what effect a vote may have on the value of an investment (*e.g.*, social issues) or where costs are prohibitive (*e.g.*, foreign issuers). For example, proxy voting in certain countries requires "share blocking." During the share blocking period, shares that will be voted at a meeting may not be sold until the meeting has taken place and the shares are returned to the client's custodian bank. Trinary may choose not to vote in a share blocking market if Trinary believes that the benefit of being able to sell the shares during the blocking period outweighs the benefit of voting. In addition, certain non-U.S. markets require that Trinary deliver a power of attorney authorizing a local agent to carry out Trinary's voting instructions or comply with other administrative requirements. While Trinary may seek to provide the required power of attorney and otherwise comply with imposed requirements, Trinary may at times be unable to do so in a timely manner, which may prevent it from voting client shares.

You may request a complete copy of Trinary's Proxy Policy by emailing our Chief Compliance Officer, at [rudyklapper@trinarycapital.com](mailto:rudyklapper@trinarycapital.com) or by sending a written request to Trinary Capital, LLC, Attn: Chief Compliance Officer, 2928 Monogram Avenue Long Beach, CA 90815.

## ITEM 8 CLIENT CONTACT WITH PORTFOLIO MANAGERS

Trinary provides all investment advisory services exclusively through its online interface and Roboadvisory algorithmic tool at [www.trinarycapital.com](http://www.trinarycapital.com). Accordingly, clients should be aware that all investment advisory services will be provided through Trinary's website, not via personal client contact with members of Trinary's investment advisory team.

Clients should also be aware that that Trinary primarily uses electronic rather than telephonic means to provide customer support. Clients may contact an investment advisory team member or member of Trinary's executive team at any time via email or through Trinary's website, and prospective clients should be comfortable communicating through those channels. Generally, however, such communication or customer support is educational in nature only, and although the algorithms that apply to and manage client accounts are overseen, monitored, and updated by investment advisory personnel, Roboadvisory clients will typically not interact directly or face-to-face with such investment advisory personnel. Updates to a client's investment goals or to answers to the client questionnaire may typically be submitted via Trinary's online interface without contacting any investment team member.

Trinary's team endeavors to answer all customer support questions within a reasonable amount of time and where appropriate. Trinary currently does not prohibit clients from contacting an investment advisory team member; however, clients should be aware that they may not be able to contact such a person during market events, such as periods of exceptional volatility or downturns.

## ITEM 9 ADDITIONAL INFORMATION

Disciplinary Information. Neither Trinary nor any of its management persons has been the subject of any material legal or disciplinary action.

Other Financial Industry Activities and Affiliations.

### **Broker-Dealer**

Trinary is in a contractual relationship with Interactive Brokers (“IB”) a securities broker-dealer registered with the Financial Industry Regulatory Authority and the Securities and Exchange Commission that operates TradingFront. The sole function of IB is to serve as distributor of the securities of the Trinary Platform through TradingFront. IB does execute securities transactions for customers, including for the accounts of Trinary’s clients.

### **Potential Conflicts of Interest**

Trinary’s services for its taxation preparation services (separate and apart from any investment advisory services through its website/Roboadvisory tool) is through the Castorena Group, which is the tax practice of one of Trinary’s officers, chief financial officer Brian Castorena.

Mr. Castorena currently has an accountant referral solicitor’s agreement with Wells Far Advisors that has been active since 2010 and was procured through Mr. Castorena’s accountancy business, the Castorena Group.

Jeremy Horton, the CEO of Trinary Capital, also has founded a non-profit 501c3 called the “Sangin Valley Gun Club” (SGVC). SGVC’s mission is to provide services to veterans who need help after being afflicted with trauma and other detrimental effects from war. A portion of the profits of Trinary Capital are donated to this non-profit every year.

Code of Ethics. Trinary has adopted a Code of Business Conduct and Ethics (the “Code of Ethics”) in accordance with rules issued by the SEC under the Investment Advisers Act of 1940. The Code of Ethics was adopted with the objectives of deterring wrongdoing, promoting honest and ethical conduct, and promoting compliance with applicable laws and regulations. The Code of Ethics, among other things:

- defines conflicts of interest;
- restricts certain political contributions;
- prohibits the illegal use of non-public, material information about an issuer of securities;
- restricts the receipt and giving of gifts and entertainment; and
- restricts other activities Trinary views as inconsistent with its obligations to its clients.

Trinary’s Code of Ethics is available on its website [www.trinarycapital.com](http://www.trinarycapital.com) under “Corporate Policies” or Trinary will also provide a copy of the Code of Ethics upon request by calling our Chief Compliance Officer, at 1-323-333-0291 or by sending a written request to Trinary Capital, LLC., Attn: Chief Compliance Officer at 2928 Monogram Avenue Long Beach, CA 90815.

Review of Accounts. Trinary Capital’s Roboadvisory algorithmic tool provides clients with continuous access to their account information through the website interface. Clients will have access to a personalized interface to review their account, to better understand their holdings and performance information, and to update their



personal investment goals and information. Clients will also receive periodic emails from Trinary with information about their accounts as well as links to account statements.

The Roboadvisory algorithmic tool continuously reviews clients' accounts to confirm each portfolio meets the targets described by the client's personalized investment goals. If a portfolio deviates from the targets described by a certain set of investment goals, Trinary Capital's Roboadvisory algorithmic tool will update and adjust the account's investment strategy(ies) or allocations to better reflect the client's goals. Clients will be automatically notified when this rebalancing occurs. Further, members of the advisory and compliance teams sometimes may conduct focused reviews of accounts when triggered by certain account activity to ensure that account performance is consistent with client guidelines, but clients should be aware that individual accounts are generally not actively monitored directly by investment advisory personnel. The frequency, interval and scope of these reviews for each account are dependent upon a number of factors, including but not limited to:

- contributions or withdrawals of cash from an account;
- change in the investment restrictions, investment objectives or, for institutional accounts, the investment policy;
- client requests such as tax-loss harvesting;
- questions regarding performance or structure; and
- requirements that could be imposed by court order or by regulator (*e.g.*, SEC, Department of Labor, etc.).

Clients should contact Trinary if any changes occur in their financial situations that may affect Trinary's management of their account. Clients will be requested to update their personal information and investment goals via the online interface on at least a quarterly basis.

Trinary offers to provide each client account with a quarterly portfolio report. The details may include:

- cash balances;
- type, name and amount of each security;
- portfolio weighting of each security;
- account performance (based upon Trinary's independent valuations – separate from the client's custodian);
- current market value of the portfolio; and
- transactions during the report period.

These materials are provided in addition to the confirmations of transactions and custodial reports the client receives from its custodian.

**Client Referrals.** Trinary may pay fees to financial intermediaries, advisers, planners and individuals who refer clients to Trinary, in accordance with applicable law. Trinary also pays compensation to its contractually-affiliated broker-dealer, TradingFront.

Trinary makes charitable contributions to organizations associated or affiliated with its founders, namely the Sangin Valley Gun Club. A portion of its revenues each year are donated to a 501c3 that aids in helping veterans of war to receive the help they need. The Sangin Valley Gun Club is also a non-profit that was started by the majority shareholder of Trinary Capital.

**Financial Information.** Trinary has no financial commitments that impair its ability to meet contractual and fiduciary commitments to clients and has not been the subject of a bankruptcy proceeding.

## **ITEM 10     REQUIREMENTS FOR STATE-REGISTERED ADVISORS**

Neither Trinary nor any of its management persons have any relationship or arrangement with any issuer of securities required to be described in this section.