

# DiversiFi Capital LLC

## Firm Brochure - Form ADV Part 2A

*This brochure provides information about the qualifications and business practices of DiversiFi Capital LLC. If you have any questions about the contents of this brochure, please contact us at (650) 632-5667 or by email at: [advisory@diversificapital.com](mailto:advisory@diversificapital.com). The information in this brochure has not been approved or verified by the United States Securities and Exchange Commission or by any state securities authority.*

*Additional information about DiversiFi Capital LLC is also available on the SEC's website at [www.adviserinfo.sec.gov](http://www.adviserinfo.sec.gov). DiversiFi Capital LLC's CRD number is: 242788.*

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

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## **Item 2: Material Changes**

The material changes in this brochure from the last annual updating amendment of DiversiFi Capital LLC on 03/18/2021 are described below. Material changes relate to DiversiFi Capital LLC's policies, practices or conflicts of interests only.

- DiversiFi Capital LLC has transitioned to registration with the United States Securities and Exchange Commission from its prior registration at the state level.
- DiversiFi Capital LLC is not a manager of the private fund, DFi Venture Fund I, LP (Item 10 & 11).
- DiversiFi Capital LLC has updated its Financial Planning - Bootcamp and Financial Planning - Bootcamp+ fee schedule. (Item 4)

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## **Item 4: Advisory Business**

### **A. Description of the Advisory Firm**

DiversiFi Capital LLC (hereinafter “DiversiFi”) is a Limited Liability Company organized in the State of California.

The firm was formed in May 2015, and approved as an investment advisor in June 2015 and the Managing Member is Nathan Dingler.

### **B. Types of Advisory Services**

#### ***Portfolio Management Services***

DiversiFi offers ongoing portfolio management services based on the individual goals, objectives, time horizon, and risk tolerance of each client. DiversiFi creates an Investment Policy Statement for each client, which outlines the client’s current situation (income, tax levels, and risk tolerance levels). Portfolio management services include, but are not limited to, the following:

- Investment strategy
- Asset allocation
- Risk tolerance
- Personal investment policy
- Asset selection
- Regular portfolio monitoring

DiversiFi evaluates the current investments of each client with respect to their risk tolerance levels and time horizon. DiversiFi will request discretionary authority from clients in order to select securities and execute transactions without permission from the client prior to each transaction. Risk tolerance levels are documented in the Investment Policy Statement, which is given to each client. DiversiFi make reasonable efforts to document and annually update client suitability information.

At DiversiFi’s discretion, investment management service will aim to invest in socially impactful investments. These social impact investments are determined by three sets of criteria. The first is investing in companies that help to advance environmental sustainability and improve resource efficiency as a society. The second is investing in companies that respect human rights and provide contribution towards a more equitable society. The third is investing in companies that are building transparent businesses and promote accountable governance. The investment vehicles that will be used for these social impact investments will be individual equities and mutual funds that filter for investments as noted above; additionally, mutual fund companies that are able to pass these filters (as a firm) are also eligible for inclusion. The qualifications for these discretionary investments will be made using resources available to DiversiFi Capital LLC through publicly documented resources. ETFs may be used to track specific market benchmarks (i.e., S&P 500 ETF), and may be outside the realm of social impact investing.

DiversiFi seeks to provide that investment decisions are made in accordance with the fiduciary duties owed to its accounts and without consideration of DiversiFi's economic, investment or other financial interests. To meet its fiduciary obligations, DiversiFi attempts to avoid, among other things, investment or trading practices that systematically advantage or disadvantage certain client portfolios, and accordingly, DiversiFi's policy is to seek fair and equitable allocation of investment opportunities/transactions among its clients to avoid favoring one client over another over time. It is DiversiFi's policy to allocate investment opportunities and transactions it identifies as being appropriate and prudent among its clients that is consistent with the Adviser's fiduciary duty.

### ***Financial Planning Services***

DiversiFi provides financial planning services to clients on five different levels. Clients can choose from Level I (income based), Level II, Level III, Level IV, and Bootcamp+. These services include but are not limited to the following:

- Financial plan tracking
- Investment performance reporting
- Education center access
- General email support
- Free life event meeting
- Financial plan review
- Tax check in
- Tax review
- 401(k) rebalance
- Estate planning review
- Employee stock benefits strategy
- Life insurance audit
- Disability insurance audit
- Long term care insurance audit
- Holistic investment portfolio review
- Fixed insurance

### ***Financial Planning***

Financial plans and financial planning may include but are not limited to: investment planning; insurance planning; real estate planning; estate planning; tax planning; retirement planning; college planning; and debt/credit planning.

In offering financial planning, a conflict exists between the interests of the investment adviser and the interests of the client. The client is under no obligation to act upon the investment adviser's recommendation, and, if the client elects to act on any of the recommendations, the client is under no obligation to affect the transaction through the investment adviser. This statement is required by California Code of Regulations, 10 CCR Section 260.235.2.

## FINANCIAL PLANNING – BOOTCAMPS

Our **Bootcamp service** is intended for individuals that prefer a more **virtual classroom approach** to financial planning education while still offering on demand advisor support for individualized questions.

Our Bootcamp covers **12 core financial planning topics** where clients receive access to an e-course providing financial education so they may learn at their own self-pace. For individualized questions, this will be answered directly with your selected advisor through a set amount of meeting credits (30-minute meeting per credit) included in your Bootcamp level. The levels are seen below and correspond to the different advisor qualifications to fit your needs.

One-Time Initiation Fee: **\$250**

Service Summary: Bootcamp with Advisor Level (See Below)

BOOTCAMP ADVISOR				
Level	Advisor Experience	Credential	Meeting Credits*	Cost Per Month
IV	6+ Years	CFP	10	\$ 250.00
III	4+ Years	Series 65	8	\$ 175.00
II	2+ Years	Series 65	6	\$ 100.00
I	2 or Less Years	Series 65	6	Income Based

\*1 Meeting Credit = 30 Minutes of Meeting Time

\* Meeting credits not used at the end of the 12-month period will expire

If no service is provided to the client, the amount due will be reduced according to the service that was completed and any unearned fees will be refunded.

## LEVEL TOPICS

The levels represent which areas your selected advisor have mastered to help with your personalized questions corresponding to those topics.

Topics	Level II	Level III	Level IV
Budget Planning	X	X	X
Savings Automation	X	X	X
Retirement Planning	X	X	X
Investment Strategy	X	X	X
Insurance Planning	--	X	X
Estate Planning	--	X	X
Primary Home Purchase	--	X	X
Education Savings	--	X	X
Taxation	--	X	X

Equity Compensation	--	--	X
Real Estate Investing	--	--	X
Charitable Giving & Foundations	--	--	X

## FINANCIAL PLANNING – BOOTCAMP+

Our **Bootcamp+ service** is intended for individuals that prefer a more **traditional 1-on-1 approach** to financial planning.

- \$250 Initiation + \$425 per month
- Waived if managed assets exceed \$1M (See FAQs Online)
- 14 Meeting Credits

### Ideal Client -

Consider this service to be your personal CFO. These clients often will have the same concerns as our premier level clients but will need more advanced financial planning. One example relates to taxes. These clients often find themselves owing under payment penalties each tax year. Our service goes beyond the tax review and provides quarterly tax check-ins to simulate their potential tax burden for the purposes of paying estimated taxes. Additionally, these clients often have concentrated stock positions from their equity compensation. Our service assists them with strategizing on what lots to sell during open trading windows. This client may have other needs including real estate investment strategy, private equity investing, more frequent review of estate planning and insurance planning, and the desire to be more thoughtful around charitable giving.

### Services Limited to Specific Types of Investments

DiversiFi generally limits its investment advice to mutual funds, fixed income securities, real estate funds, fixed insurance, equities, ETFs (including ETFs in the gold and precious metal sectors) and commodities. DiversiFi may use other securities as well to help diversify a portfolio when applicable.

### **C. Client Tailored Services and Client Imposed Restrictions**

DiversiFi offers the same suite of services to all of its clients. However, specific client investment strategies and their implementation are dependent upon the client Investment Policy Statement that outlines each client's current situation (Age, income, tax levels, Total net worth, Liquid net worth, Employment status, Fair market value of primary residence, Investment objectives, Investment experience, Investment time horizon, Liquidity, and risk tolerance levels). Clients may not impose restrictions in investing in certain securities or types of securities in accordance with their values or beliefs.



## **D. Wrap Fee Programs**

A wrap fee program is an investment program where the investor pays one stated fee that includes management fees, transaction costs, fund expenses, and other administrative fees. DiversiFi does not participate in any wrap fee programs.

## **E. Assets Under Management**

DiversiFi has the following assets under management:

Discretionary Amounts:	Non-discretionary Amounts:	Date Calculated:
\$141,570,000.00	\$8,000.00	December 2020

# **Item 5: Fees and Compensation**

Lower fees for comparable services may be available from other sources.

## **A. Fee Schedule**

### ***Asset-Based Fees for Portfolio Management***

Total Assets Under Management	Annual Fee
\$50,000 - \$500,000	1.20%
\$500,001 - \$1,000,000	1.00%
\$1,000,001 - \$5,000,000	0.80%
\$5,000,001 - And up	0.60%

The final fee schedule is attached as Exhibit II of the Investment Advisory Contract. Clients may terminate the agreement without penalty for a full refund of DiversiFi's fees within five business days of signing the Investment Advisory Contract without penalty and for a full refund and may be terminated by phone or email. Thereafter, clients may terminate the Investment Advisory Contract immediately upon written notice. Fees are negotiable. Clients can combine multiple household accounts to receive a lower tiered schedule fee.

DiversiFi uses the value of the account as of the last business day of the prior billing period, after taking into account deposits and withdrawals, for purposes of determining the market value of the assets upon which the advisory fee is based. Client investment management fee rate is subject to change if client assets under management fall into a

different tier as noted in table above. Partial billing periods fees will be prorated based upon the number of days the account was open during the billing period.

Depending on "Total Assets Under Management" per household, client may be eligible for DiversiFi's Financial Planning service at no additional cost. Please see Financial Planning service level description for more details.

If the total managed assets exceed \$500K, the cost of Premier Planning service will be waived. If the total managed assets exceed \$1M, the cost of Elite Planning service will be waived. However, if the total managed assets fall below this threshold due to a withdrawal or stays below this balance for 3 consecutive billing cycles, the fee will no longer be waived. If investment performance causes the total managed asset balance to fall below the threshold, then the fee will continue to be waived. Clients may terminate the agreement without penalty for a full refund of DiversiFi's fees within five business days of signing the Investment Advisory Contract without penalty and for a full refund and may be terminated by phone or email.

In all instances, the Adviser will send the client a written invoice, including the fee, the formula used to calculate the fee, the fee calculation itself, the time period covered by the fee, and, if applicable, the amount of assets under management on which the fee was based. Also, the Adviser will include the name of the custodian(s) on your fee invoice. The Adviser will send these to the client concurrent with the request for payment or payment of the Adviser's advisory fees. We urge the client to compare this information with the fees listed in the account statement.

In computing the market value of any investment of the Account, the securities in the Account listed on a national securities exchange or otherwise subject to current last-sale reporting shall be valued at the amount reported on the statement that Client receives from the Authorized Third Party. Such securities which are not traded nor subject to last-sale reporting shall be valued at the latest available bid price reflected by quotations furnished to CCMG by such sources as it may deem appropriate. Any other security shall be valued in such manner as shall be determined in good faith by CCMG and the Client to reflect its fair market value.

### ***Financial Planning Fees***

Fees are paid in advance, but never six months or more in advance.

Clients may terminate the agreement without penalty and for a full refund of DiversiFi's fees within five business days of signing the Financial Planning Agreement and may be terminated by phone or email. Thereafter, clients may terminate the Financial Planning Agreement immediately upon written notice. These fees are negotiable depending upon the needs of the client and complexity of the situation.

Refunds are issued to the payment method used at the time of the initial purchase and are based upon an hourly rate of \$250 per hour of service provided including time spent for onboarding. Clients will have the option to continue service until the end of the prepaid month.

### ***Fixed Fees***

Fees are charged 100% in advance, but never more than six months in advance. These fees are negotiable depending upon the needs of the client and complexity of the situation.

Clients may terminate the agreement without penalty and for a full refund of DiversiFi's fees within five business days of signing the Financial Planning Agreement and can be terminated by phone or email. Thereafter, clients may terminate the Financial Planning Agreement immediately upon written notice. Complete portions of any documents will be delivered if terminates relationship with advisor.

Refunds are issued to the payment method used at the time of the initial purchase and are based upon an hourly rate of \$250 per hour of service provided including time spent for onboarding. Clients will have the option to continue service until the end of the prepaid month. Fees are paid in advance, but never six months or more in advance.

## **B. Payment of Fees**

### ***Payment of Asset-Based Portfolio Management Fees***

Asset-based portfolio management fees are withdrawn directly from the client's accounts with client's written authorization on a monthly basis. Fees are paid in advance.

### ***Payment of Financial Planning Fees***

Financial Planning fees are paid by credit, ACH, or PayPal via Invoiced, an online subscription billing service. Financial planning fees are paid 100% in advance, but never more than six months in advance. Financial planning fees will be offset for related advisory services of assets being managed by the Adviser.

Fixed financial planning fees are paid 100% in advance, but never more than six months in advance.

DiversiFi has the ability to accept credit/debit payment for financial planning services through PayPal.

## **C. Client Responsibility For Third Party Fees**

Clients are responsible for the payment of all third-party fees (i.e., custodian fees, brokerage fees, mutual fund fees, transaction fees, etc.). Those fees are separate and distinct from the fees and expenses charged by DiversiFi. Please see Item 12 of this brochure regarding broker-dealer/custodian.

## **D. Prepayment of Fees**

DiversiFi collects fees in advance. Refunds for fees paid in advance will be returned within thirty days to the client via the method the initial purchase was made, deposit back into the client's account, or by check to the client's address if the first two options are not available. For those managed accounts, refunds will be calculated based upon the value of the account on which the original fee was based.

For all asset-based fees paid in advance, the fee refunded will be equal to the balance of the fees collected in advance minus the daily rate\* times the number of days elapsed in the billing period up to and including the day of termination. (\*The daily rate is calculated by dividing the monthly asset-based fee rate by the number of days in the month.). For fees charged in advance, DiversiFi must provide an invoice to the client showing the amount of earned fees retained by DiversiFi and the amount of fees returned to the client.

Fixed fees that are collected in advance will be refunded based on the prorated amount of work at \$250 per hour completed at the point of termination. Clients will have the option to continue service until the end of the prepaid month. The prorated refund for the amount of work completed will be based on an hourly rate times the hours spent. DiversiFi will deliver upon termination that portion of the plan that has been prepared

## **E. Outside Compensation For the Sale of Securities to Clients**

Neither DiversiFi nor its supervised persons accept any compensation for the sale of securities or other investment products, including asset-based sales charges or service fees from the sale of mutual funds.

## **Item 6: Performance-Based Fees and Side-By-Side Management**

DiversiFi does not accept performance-based fees or other fees based on a share of capital gains on or capital appreciation of the assets of a client.

## **Item 7: Types of Clients**

DiversiFi generally provides advisory services to the following types of clients:

- ❖ Individuals
- ❖ High-Net-Worth Individuals

### ***Minimum Account Size for Portfolio Management***

There is an account minimum of \$50,000, which may be waived by DiversiFi in its discretion.

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

### **A. Methods of Analysis and Investment Strategies**

#### ***Methods of Analysis***

DiversiFi's methods of analysis include charting analysis, fundamental analysis, technical analysis and quantitative analysis.

**Charting analysis** involves the use of patterns in performance charts. DiversiFi uses this technique to search for patterns used to help predict favorable conditions for buying and/or selling a security.

**Fundamental analysis** involves the analysis of financial statements, the general financial health of companies, and/or the analysis of management or competitive advantages.

**Technical analysis** involves the analysis of past market data; primarily price and volume.

**Quantitative analysis** deals with measurable factors as distinguished from qualitative considerations such as the character of management or the state of employee morale, such as the value of assets, the cost of capital, historical projections of sales, and so on.

#### ***Investment Strategies***

DiversiFi uses long term trading and short-term trading.

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

### **B. Material Risks Involved**

#### ***Methods of Analysis***

**Charting analysis** strategy involves using and comparing various charts to predict long and short term performance or market trends. The risk involved in using this method is that only past performance data is considered without using other methods to crosscheck data. Using charting analysis without other methods of analysis would be making the assumption that past performance will be indicative of future performance. This may not be the case.

**Fundamental analysis** concentrates on factors that determine a company's value and expected future earnings. This strategy would normally encourage equity purchases in stocks that are undervalued or priced below their perceived value. The risk assumed is that the market will fail to reach expectations of perceived value.

**Technical analysis** attempts to predict a future stock price or direction based on market trends. The assumption is that the market follows discernible patterns and if these patterns can be identified then a prediction can be made. The risk is that markets do not always follow patterns and relying solely on this method may not take into account new patterns that emerge over time.

**Quantitative Model Risk:** Investment strategies using quantitative models may perform differently than expected as a result of, among other things, the factors used in the models, the weight placed on each factor, changes from the factors' historical trends, and technical issues in the construction and implementation of the models.

### ***Investment Strategies***

**Long term trading** is designed to capture market rates of both return and risk. Due to its nature, the long-term investment strategy can expose clients to various types of risk that will typically surface at various intervals during the time the client owns the investments. These risks include but are not limited to inflation (purchasing power) risk, interest rate risk, economic risk, market risk, and political/regulatory risk.

**Short term trading** risks include liquidity, economic stability, and inflation, in addition to the long-term trading risks listed above. Frequent trading can affect investment performance, particularly through increased brokerage and other transaction costs and taxes.

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

## **C. Risks of Specific Securities Utilized**

Clients should be aware that there is a material risk of loss using any investment strategy. The investment types listed below are not guaranteed or insured by the FDIC or any other government agency.

**Mutual Funds:** Investing in mutual funds carries the risk of capital loss and thus you may lose money investing in mutual funds. All mutual funds have costs that lower investment returns. The funds can be of bond "fixed income" nature (lower risk) or stock "equity" nature.

**Equity** investment generally refers to buying shares of stocks in return for receiving a future payment of dividends and/or capital gains if the value of the stock increases. The

value of equity securities may fluctuate in response to specific situations for each company, industry conditions and the general economic environments.

**Fixed income** investments generally pay a return on a fixed schedule, though the amount of the payments can vary. This type of investment can include corporate and government debt securities, leveraged loans, high yield, and investment grade debt and structured products, such as mortgage and other asset-backed securities, although individual bonds may be the best-known type of fixed income security. In general, the fixed income market is volatile and fixed income securities carry interest rate risk. (As interest rates rise, bond prices usually fall, and vice versa. This effect is usually more pronounced for longer-term securities.) Fixed income securities also carry inflation risk, liquidity risk, call risk, and credit and default risks for both issuers and counterparties. The risk of default on treasury inflation protected/inflation linked bonds is dependent upon the U.S. Treasury defaulting (extremely unlikely); however, they carry a potential risk of losing share price value, albeit rather minimal. Risks of investing in foreign fixed income securities also include the general risk of non-U.S. investing described below.

**Exchange Traded Funds (ETFs):** An ETF is an investment fund traded on stock exchanges, similar to stocks. Investing in ETFs carries the risk of capital loss (sometimes up to a 100% loss in the case of a stock holding bankruptcy). Areas of concern include the lack of transparency in products and increasing complexity, conflicts of interest and the possibility of inadequate regulatory compliance. Precious Metal ETFs (e.g., Gold, Silver, or Palladium Bullion backed “electronic shares” not physical metal) specifically may be negatively impacted by several unique factors, among them (1) large sales by the official sector which own a significant portion of aggregate world holdings in gold and other precious metals, (2) a significant increase in hedging activities by producers of gold or other precious metals, (3) a significant change in the attitude of speculators and investors.

**Real Estate** funds (including REITs) face several kinds of risk that are inherent in the real estate sector, which historically has experienced significant fluctuations and cycles in performance. Revenues and cash flows may be adversely affected by: changes in local real estate market conditions due to changes in national or local economic conditions or changes in local property market characteristics; competition from other properties offering the same or similar services; changes in interest rates and in the state of the debt and equity credit markets; the ongoing need for capital improvements; changes in real estate tax rates and other operating expenses; adverse changes in governmental rules and fiscal policies; adverse changes in zoning laws; the impact of present or future environmental legislation and compliance with environmental laws. Unmanaged or static assets will not be included in the Adviser’s management fee calculation.

**Commodities** are tangible assets used to manufacture and produce goods or services. Commodity prices are affected by different risk factors, such as disease, storage capacity, supply, demand, delivery constraints and weather. Because of those risk factors, even a well-diversified investment in commodities can be uncertain.

**Fixed Insurance** is an insurance policy that helps to protect against financial hardships in exchange for a fixed premium and without a cash value within the policy. Examples may include term life insurance and disability insurance policies.

**Past performance is not indicative of future results. Investing in securities involves a risk of loss that you, as a client, should be prepared to bear.**

## **Item 9: Disciplinary Information**

### **A. Criminal or Civil Actions**

There are no criminal or civil actions to report.

### **B. Administrative Proceedings**

There are no administrative proceedings to report.

### **C. Self-regulatory Organization (SRO) Proceedings**

There are no self-regulatory organization proceedings to report.

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

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

Neither DiversiFi nor its representatives are registered as, or have pending applications to become, a broker/dealer or a representative of a broker/dealer.

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

Neither DiversiFi nor its representatives are registered as or have pending applications to become either a Futures Commission Merchant, Commodity Pool Operator, or Commodity Trading Advisor or an associated person of the foregoing entities.

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

Nathan Michael Dingler and Raymond Mac Vo are independent licensed insurance agents, and from time to time, will offer clients advice or products from those activities. Clients should be aware that these services pay a commission or other compensation



and involve a conflict of interest, as commissionable products conflict with the fiduciary duties of a registered investment adviser. DiversiFi always acts in the best interest of the client; including the sale of commissionable products to advisory clients. Clients are in no way required to utilize the services of any representative of DiversiFi in connection with such individual's activities outside of DiversiFi. DiversiFi owes the client a fiduciary duty to put the client's interest first which includes, but is not limited to, a duty of care, loyalty, obedience, and utmost good faith.

Nathan Michael Dingler is a real estate agent. From time to time, he may offer clients advice or products from those activities and clients should be aware that these services may involve a conflict of interest. DiversiFi always acts in the best interest of the client and clients always have the right to decide whether or not to utilize the services of any representative in such individuals outside capacities. DiversiFi owes the client a fiduciary duty to put the client's interest first which includes, but is not limited to, a duty of care, loyalty, obedience, and utmost good faith. One hour a month is devoted to this activity outside of trading hours.

Nathan Michael Dingler is the manager of DFi Venture Fund I, LP and Victor Luscap is the general partner of this private fund. DiversiFi will recommend investments in this private fund to those clients for which investment in the fund is suitable. This presents a conflict of interest in that DiversiFi or its related persons may receive more compensation from investment in the fund than from other investments. Nevertheless, DiversiFi acts in the best interest of the client consistent with its fiduciary duties and clients are not required invest in the private fund if they do not wish to do so.

Brandon Kurz is a licensed insurance agent. From time to time, he will offer clients advice or products from those activities. Clients should be aware that these services pay a commission and involve a conflict of interest, as commissionable products conflict with the fiduciary duties of a registered investment adviser. DiversiFi Capital LLC always acts in the best interest of the client; including the sale of commissionable products to advisory clients. Clients always have the right to decide whether or not to utilize the services of any representative of DiversiFi Capital LLC in such individuals outside capacities. DiversiFi owes the client a fiduciary duty to put the client's interest first which includes, but is not limited to, a duty of care, loyalty, obedience, and utmost good faith.

All material conflicts of interest under California Code of Regulations Section 260.238(k) are disclosed regarding the investment adviser, its representatives or any of its employees, which could be reasonable expected to impair the rendering of unbiased and objective advice.

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

DiversiFi does not utilize nor select third-party investment advisers. All assets are managed by DiversiFi management.

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

### **A. Code of Ethics**

DiversiFi has a written Code of Ethics that covers the following areas: Prohibited Purchases and Sales, Insider Trading, Personal Securities Transactions, Exempted Transactions, Prohibited Activities, Conflicts of Interest, Gifts and Entertainment, Confidentiality, Service on a Board of Directors, Compliance Procedures, Compliance with Laws and Regulations, Procedures and Reporting, Certification of Compliance, Reporting Violations, Compliance Officer Duties, Training and Education, Recordkeeping, Annual Review, and Sanctions. DiversiFi's Code of Ethics is available free upon request to any client or prospective client.

### **B. Recommendations Involving Material Financial Interests**

DiversiFi does not recommend that clients buy or sell any security in which a related person to DiversiFi or DiversiFi has a material financial interest.

Nathan Michael Dingler is the manager of DFi Venture Fund I, LP and Victor Luscap is the general partner of this private fund. DiversiFi will recommend investments in this private fund to those clients for which investment in the fund is suitable. This presents a conflict of interest in that DiversiFi or its related persons may receive more compensation from investment in the fund than from other investments. Nevertheless, DiversiFi acts in the best interest of the client consistent with its fiduciary duties and clients are not required invest in the private fund if they do not wish to do so.

### **C. Investing Personal Money in the Same Securities as Clients**

From time to time, representatives of DiversiFi may buy or sell securities for themselves that they also recommend to clients. This may provide an opportunity for representatives of DiversiFi to buy or sell the same securities before or after recommending the same securities to clients resulting in representatives profiting off the recommendations they provide to clients. Such transactions may create a conflict of interest. DiversiFi will always document any transactions that could be construed as conflicts of interest and will never engage in trading that operates to the client's disadvantage when similar securities are being bought or sold.

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

From time to time, representatives of DiversiFi may buy or sell securities for themselves at or around the same time as clients. This may provide an opportunity for representatives of DiversiFi to buy or sell securities before or after recommending securities to clients

resulting in representatives profiting off the recommendations they provide to clients. Such transactions may create a conflict of interest; however, DiversiFi will never engage in trading that operates to the client's disadvantage if representatives of DiversiFi buy or sell securities at or around the same time as clients.

## **Item 12: Brokerage Practices**

### **A. Factors Used to Select Custodians and/or Broker/Dealers**

Custodians/broker-dealers will be recommended based on DiversiFi's duty to seek "best execution," which is the obligation to seek execution of securities transactions for a client on the most favorable terms for the client under the circumstances. Clients will not necessarily pay the lowest commission or commission equivalent, and DiversiFi may also consider the market expertise and research access provided by the broker-dealer/custodian, including but not limited to access to written research, oral communication with analysts, admittance to research conferences and other resources provided by the brokers that may aid in DiversiFi's research efforts. DiversiFi will never charge a premium or commission on transactions, beyond the actual cost imposed by the broker-dealer/custodian.

DiversiFi will recommended clients to use TD Ameritrade Institutional, a division of TD Ameritrade, Inc. Member FINRA/SIPC. DiversiFi will not be able to serve clients wanting asset-based advisory services if they do not want to use TD.

#### ***1. Research and Other Soft-Dollar Benefits***

While DiversiFi has no formal soft dollars program in which soft dollars are used to pay for third party services, DiversiFi may receive research, products, or other services from custodians and broker-dealers in connection with client securities transactions ("soft dollar benefits"). DiversiFi may enter into soft-dollar arrangements consistent with (and not outside of) the safe harbor contained in Section 28(e) of the Securities Exchange Act of 1934, as amended. There can be no assurance that any particular client will benefit from soft dollar research, whether or not the client's transactions paid for it, and DiversiFi does not seek to allocate benefits to client accounts proportionate to any soft dollar credits generated by the accounts. DiversiFi benefits by not having to produce or pay for the research, products or services, and DiversiFi will have an incentive to recommend a broker-dealer based on receiving research or services. Clients should be aware that DiversiFi's acceptance of soft dollar benefits may result in higher commissions charged to the client.

#### ***2. Brokerage for Client Referrals***

DiversiFi receives no referrals from a broker-dealer or third party in exchange for using that broker-dealer or third party.

### ***3. Clients Directing Which Broker/Dealer/Custodian to Use***

DiversiFi will require clients to use a specific broker-dealer to execute transactions. Not all advisers require clients to use a particular broker-dealer.

#### **B. Aggregating (Block) Trading for Multiple Client Accounts**

If DiversiFi buys or sells the same securities on behalf of more than one client, then it may (but would be under no obligation to) aggregate or bunch such securities in a single transaction for multiple clients in order to seek more favorable prices, lower brokerage commissions, or more efficient execution. In such case, DiversiFi would place an aggregate order with the broker on behalf of all such clients in order to ensure fairness for all clients; provided, however, that trades would be reviewed periodically to ensure that accounts are not systematically disadvantaged by this policy. DiversiFi would determine the appropriate number of shares and select the appropriate brokers consistent with its duty to seek best execution, except for those accounts with specific brokerage direction (if any).

## **Item 13: Reviews of Accounts**

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

All client accounts for DiversiFi's advisory services provided on an ongoing basis are reviewed at least monthly by Nathan Dingler, Managing Member with regard to clients' respective investment policies and risk tolerance levels. All accounts at DiversiFi are assigned to this reviewer. TD Ameritrade will provide a report on a monthly basis as many custodians may provide reports on a quarterly basis.

All financial planning accounts are reviewed upon financial plan creation and plan delivery by Nathan Dingler, Managing Member. There is only one level of review for financial planning, and that is the total review conducted to create the financial plan.

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

Reviews may be triggered by material market, economic or political events, or by changes in client's financial situations (such as retirement, termination of employment, physical move, or inheritance).

With respect to financial plans, DiversiFi's services will generally conclude upon delivery of the financial plan.

### **C. Content and Frequency of Regular Reports Provided to Clients**

Each client of DiversiFi's advisory services provided on an ongoing basis will receive a monthly report detailing the client's account, including assets held, asset value, and calculation of fees. This written report will come from the custodian.

Each financial planning client will receive the financial plan upon completion.

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

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

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

### **B. Compensation to Non – Advisory Personnel for Client Referrals**

DiversiFi does not directly or indirectly compensate any person who is not advisory personnel for client referrals.

## **Item 15: Custody**

When advisory fees are deducted directly from client accounts at client's custodian, DiversiFi will be deemed to have limited custody of client's assets. Because client fees will be withdrawn directly from client accounts, DiversiFi will:

- (A) Possess written authorization from the client to deduct advisory fees from an account held by a qualified custodian.
- (B) Send the qualified custodian written notice of the amount of the fee to be deducted from the client's account and verify that the qualified custodian sends invoices to the client.
- (C) Send the client a written invoice itemizing the fee upon or prior to fee deduction, including the formula used to calculate the fee, the time period covered by the fee and the amount of assets under management on which the fee was based.

Clients will receive all account statements and billing invoices that are required in each jurisdiction, and they should carefully review those statements for accuracy. Clients are urged to compare the account statements they received from custodian with those they received from DiversiFi. The invoice itemization will include the fee calculation itself and the name of the custodian.

## **Item 16: Investment Discretion**

DiversiFi provides discretionary investment advisory services to clients. The Investment Advisory Contract established with each client sets forth the discretionary authority for trading. Where investment discretion has been granted, DiversiFi generally manages the client's account and makes investment decisions without consultation with the client as to when the securities are to be bought or sold for the account, the total amount of the securities to be bought/sold, what securities to buy or sell, or the price per share. DiversiFi will also have discretionary authority to determine the broker dealer to be used for a purchase or sale of securities for a client's account.

## **Item 17: Voting Client Securities (Proxy Voting)**

DiversiFi will not ask for, nor accept voting authority for client securities. Clients will receive proxies directly from the issuer of the security or the custodian. Clients should direct all proxy questions to the issuer of the security.

## **Item 18: Financial Information**

### **A. Balance Sheet**

DiversiFi neither requires nor solicits prepayment of more than \$1200 in fees per client, six months or more in advance, and therefore is not required to include a balance sheet with this brochure.

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

Neither DiversiFi nor its management has any financial condition that is likely to reasonably impair DiversiFi's ability to meet contractual commitments to clients.

### **C. Bankruptcy Petitions in Previous Ten Years**

DiversiFi has not been the subject of a bankruptcy petition in the last ten years.