



**FORM ADV PART 2A – DISCLOSURE BROCHURE**

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This disclosure brochure provides information about the qualifications and business practices of Treasure Investment Management, LLC (“Treasure”), an investment adviser registered with the U.S. Securities Exchange Commission (“SEC”). If you have any questions about the contents of this disclosure brochure, please contact us at [support@treasurefi.com](mailto:support@treasurefi.com). The information in this disclosure brochure has not been approved or verified by the SEC or by any state securities authority. Registration with the SEC does not imply a certain level of skill or training.

Additional information about Treasure also is available on the SEC's website at [www.adviserinfo.sec.gov](http://www.adviserinfo.sec.gov). You can search this site by a unique identifying number, known as a CRD number. The CRD number for Treasure is 309258.

## Item 2 – Material Changes

This item discusses specific material changes to the Treasure Investment Management, LLC (“Treasure”) disclosure brochure. Treasure will ensure that clients receive a summary of any material changes to this and subsequent disclosure brochures within 120 days of the close of its fiscal year which occurs at the end of the calendar year. Treasure may further provide other ongoing disclosure information about material changes as necessary. Treasure will also provide clients with a new disclosure brochure as necessary based on changes or new information, at any time, without charge.

A copy of the current version of this disclosure brochure is available on the Treasure website at [www.treasurefi.com/disclosures](http://www.treasurefi.com/disclosures). This disclosure brochure is available at no charge to all interested parties for their download and/or printing.

There have been no material changes since the date of the initial filing of this disclosure brochure (October 5, 2020).

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## Item 4 - Advisory Business

### A. The Company

Treasure Investment Management, LLC (“Treasure”) is a privately held Delaware limited liability company with its principal office located in San Francisco, California. Treasure was formed in October 2017 and has been registered with the United States Securities and Exchange Commission (“SEC”) since November 2020.

Treasure is a wholly-owned subsidiary of Treasure Technologies, Inc., a Delaware corporation (“Treasure Technologies”). Samuel Strasser, the Chief Executive Officer of Treasure, is the majority owner of Treasure Technologies and Chief Executive Officer of Treasure Technologies.

### B. Advisory Services

#### The Platform

Treasure provides discretionary investment management services to small and medium sized businesses using a proprietary algorithm that is available through an automated platform on the Treasure website (the “Platform”). The Platform is designed to help these businesses manage their cash flow, investments and other financial assets, with the aim of optimizing current and medium-term liquidity and achieve investment returns on idle cash. Treasure will provide investment management services solely through the Platform and does not provide investment advice in person, over the phone, in live chat, or in any other manner other than through the investment management services available via the Platform. Treasure does not offer non-discretionary investment management services, financial planning services, retirement planning services, financial consulting, tax advice or legal advice.

Treasure, through the Platform, and as further explained below, will:

- Obtain information about the client’s business (i.e., legal name, address, tax identification number, number of employees, historical levels of idle cash);
- Assist the client with opening up a brokerage account with Apex Clearing Corporation (the “Treasure Reserve Account”);
- Obtain the client’s risk tolerance;
- Analyze the client’s historical levels of cash; and
- Recommend one or more investment strategies based on the client’s identified level of idle cash, cash flow needs and level of risk.

Treasure aims to provide its clients with various investment options based on their risk tolerance and other factors, including the client’s level of idle cash (e.g., the less idle cash a client has, the more the client’s funds would be allocated to a more conservative investment strategy). By continuously managing an optimal cash balance, Treasure aims to assist clients with maintaining the liquidity needed to operate their businesses, while investing the rest.

Clients will create an account using the Platform. Once the client’s account is set up, Treasure’s third-party service provider will automatically upload the business’s historical

bank account data. The Platform will then analyze that data to determine the business's level of idle cash available for investment. Based on its analysis, the Platform will recommend an allocation of various investment strategies to the client that are appropriate for the client based on its specific cash flow needs, and with varying levels of risk. The client then authorizes the transfer of the recommended level of funds to the client's Treasure Reserve Account to be invested based on the Platform's recommendations. The client may, in its sole discretion, authorize the transfer of an amount less than the recommended level.

### The Algorithm

As stated above, Treasure provides investment management services solely via the Treasure Platform and proprietary algorithm. Based on the risk tolerance information and historical banking data a client provides at account opening, the algorithm selects the appropriate investment strategy. The algorithm continuously analyzes client transaction data and updates the idle cash estimation on a weekly basis. As this information changes, the algorithm will rebalance a client's account amount the various investment vehicles.

### The Investment Vehicles

Treasure currently offers three investment vehicles with varying degrees of duration, risk and potential return. Each investment vehicle consists of five mutual funds. The Chief Investment Officer is responsible for ensuring that the composition of each investment vehicle adheres to predetermined duration, risk and yield parameters. In the event the Chief Investment Officer determines that a mutual fund is no longer performing as expected, the Chief Investment Officer will remove the mutual fund from the applicable investment vehicle(s) and replace it with a more suitable mutual fund. In addition, during times of stressed market conditions or whenever other market or economic conditions warrant, the Chief Investment Officer, in the Chief Investment Officer's sole and absolute discretion, may take temporary defensive measures and deviate from any predetermined parameters.

### Mutual Fund Selection

In addition to the predetermined performance criteria cited above, each mutual fund must meet the following additional thresholds in order to be considered for inclusion in an investment vehicle:

- Manage in excess of one billion dollars;
- Have a track record of returns for at least three years; and
- Invest in at least fifty different companies

When selecting mutual funds for the investment vehicles, Treasure's policy is to purchase the least expensive mutual fund share class available.

### The Investment Process

In constructing and maintaining each investment vehicle, the Chief Investment Officer uses the following six-step investment process to (i) analyze each potential mutual fund, (ii) allocate and monitor each mutual fund that has been selected and (iii) rebalance the composition of the investment vehicles:

1. Determine Initial Fund Eligibility
2. Analyze the Performance

3. Allocate Across Investment Vehicles
4. Monitor Performance
5. Remove Underperforming Funds
6. Rebalance Investment Vehicles

#### Apex Clearing Corporation

Apex Clearing Corporation, a registered broker-dealer and a member of the Financial Industry Regulatory Authority and the Securities Investor Protection Corporation (“Apex”), is the broker-dealer/custodian selected by Treasure to hold the assets in a client’s Treasure Reserve Account and to execute trades within a client’s Treasure Reserve Accounts. Please see Item 12 for detailed information on Apex.

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

#### Client Tailored Services

Clients are required to input certain risk tolerance information and provide Treasure with access to the client’s historical banking data via the Platform. Based on the information provided by the client, the algorithm analyzes such information and automatically allocates the client’s investable cash across the different investment vehicles. Treasure may, but is not required to, override the algorithm to provide alternative investment strategies to a client if warranted by market and/or economic conditions.

In formulating its investment strategies, Treasure does not consider any additional information about the client not submitted via the Platform, including outside assets, portfolio concentration, debt or other accounts the client may have with any third-party. **Before becoming a client of Treasure, potential clients should consider this limitation on Treasure’s services, which is a function of Treasure providing its investment management services in an automated manner.**

#### Client Imposed Restrictions

As stated above, the Platform will allocate clients’ idle cash among various investment vehicles consisting solely of mutual funds. Therefore, Treasure does not permit clients to impose restrictions on investing in certain securities or types of securities.

### **D. Wrap Fee Programs**

Treasure does not manage or place client assets into wrap fee programs (*i.e.*, programs that offer services for one, all-inclusive fee).

### **E. Assets Under Management**

As of December 1, 2020, Treasure does not have any assets under management.

## **Item 5 - Fees And Compensation**

### **A. Advisory Fees**

The annual fee for Treasure’s investment management services will be charged as a percentage of assets under management according to the following schedule:

Assets Under Management	Annual Fee (%)
\$0 to 50 million	0.35%
Over \$50 million	Negotiable

The annual investment management fee is paid monthly in arrears based upon the value (market value or fair market value in the absence of market value), of the client's portfolio at the end of the month. The investment management fee is pro-rated for periods less than a full billing cycle (based upon the number of calendar days in the calendar month that the investment management agreement was effective). Details of the investment management fee charged is more fully described in the investment management agreement entered into with each client.

## **B. Payment Method**

Each month, Treasure will notify Apex, of the amount of an investment management fee due and payable to Treasure pursuant to Treasure’s investment management agreement. Apex will not validate or check Treasure’s fees, its corresponding calculation or the assets on which the fee is based unless the client has retained their services to do so. With the client’s pre-approval, which is indicated on the Apex Customer Account Agreement, the qualified custodian will “deduct” the fee from the client’s account.

On at least a quarterly basis, the client will receive a statement directly from the Apex showing all transactions, positions and credits/debits into or from the client’s account. Statements will also reflect the investment management fee paid by the client to Treasure.

## **C. Additional Fee Information**

### Fees Negotiable

Treasure retains the right to modify its investment management fees in its sole and absolute discretion, on a client-by-client basis. Factors considered include the anticipated amount of assets to be placed under management, anticipated future additional assets, and related accounts. The specific investment management fee is identified in the investment management agreement entered into with the client.

### Mutual Funds

All fees paid to Treasure for investment management services are separate and distinct from the expenses charged by mutual funds to their shareholders, if applicable. These fees and expenses are described in each mutual fund’s prospectus. These fees and expenses will generally be used to pay management fees for the mutual fund, other fund expenses, account administration (e.g., custody, brokerage and account reporting), and a possible distribution fee. A client could invest in mutual funds directly, without the services of Treasure, but would not receive the services provided by Treasure which are designed, among other things, to (i) assist the client in determining which investment strategies are most appropriate to each client’s financial situation and objectives and (ii) determine when buying or selling securities is appropriate. Accordingly, the client should review both the fees charged by the



mutual fund[s] and the investment management fees charged by Treasure to fully understand the total amount of fees to be paid by the client.

#### Miscellaneous Expenses

In addition to any transaction fees charged by broker-dealers associated with the purchase and sale of securities, the table below sets forth additional fees that may be charged by Treasure or Apex for ancillary services such as (a) fees for processing the physical delivery of securities or the in-kind transfer to another custodian or broker-dealer of securities; or (b) fees for the preparation and delivery of paper documents if you request the preparation and delivery of paper documents that Treasure or Apex normally provides in electronic form or that Treasure and/or Apex are not required to provide in paper form.

<b>Transaction</b>	<b>Additional Fee</b>
ACATS - Outgoing Non Retirement	\$ 75.00
ACATS - Outgoing Partial	\$ 75.00
ACATS - Outgoing Retirement	\$ 75.00
ACH Authentication	\$ 1.00
ACH Notice of Change/Correction	\$ 5.00
Advisor Requested statement copies	\$ 5.00
Check Copies	\$ 15.00
Customer Verification - Domestic (per inquiry)	\$ 1.00
Customer Verification - International (per inquiry)	\$ 1.00
Retirement Plan Services Termination Fee (per event)	\$ 20.00
Retirement Plan Services Annual Maintenance (per account)	\$ 30.00
Limited Partnerships / Private Placements [3]	\$ 250.00
Manual Account Opening Fee (non-API)	\$ 15.00
Outgoing Wire Transfers (Domestic)	\$ 25.00
Outgoing Wire Transfers (Foreign)	\$ 50.00
Overnight Mail - Domestic (per request)	\$ 50.00
Overnight Mail - International/Canada (per request)	\$ 100.00
Paper Check Draft/regular mail - domestic	\$ 5.00
Paper Check Draft/regular mail - international	\$ 10.00
Paper Confirm Fee (Retail Paper Only) (per confirm)	\$ 2.00
Paper Prospectus Fee (Domestic)	\$ 2.50
Paper Prospectus Fee Per Line (Domestic)	\$ 2.50
Paper Statement Fee (Retail Paper Only) (per statement)	\$ 5.00
Paper Tax Statement Fee (Retail Paper Only) (per statement)	\$ 5.00
Return Mail (per piece)	\$ 2.00
Returned ACH (per return)	\$ 30.00
Returned Checks/Wires and Recalls (including amendment repairs)	\$ 30.00
Statement Inserts (per acct, per month)	\$ 0.25
Stop Payments on Apex Issued Checks	\$ 30.00
Tax Form 5498	\$ 5.00
Third Party Distribution Notification	\$ 2.00

#### **D. Termination**

A client may terminate their investment advisory relationship with Treasure at any time for any reason by selecting “Delete Account” in the user settings of the Platform. Treasure may terminate its investment management relationship with a client at any time for any reason by sending the client a notice of termination by email, by mail or other means of notification

via the Platform. As Treasure charges its investment management fee in arrears, no refund shall be payable to the client.

#### **E. Additional Compensation**

Neither Treasure nor its associated persons accept commissions or compensation from any other source (*e.g.*, mutual funds, insurance products or any other investment product) and Treasure does not charge a mark-up on clients' securities transactions.

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

Treasure does not accept performance-based fees or engage in side-by-side management.

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

#### **A. Clients**

Treasure provides investment management services to small and medium-sized businesses, including corporations, limited liability companies or other types of business entities.

#### **B. Engaging the Services of Treasure**

To become an investment management client of Treasure, potential clients must provide Treasure with access to their bank account data via the Platform, acknowledge and accept the terms of the Treasure's investment management agreement and acknowledge receipt of Treasure's Form ADV Part 2A and Privacy Policy Notice (collectively, the "Account Opening Documents"). In addition, clients will also be required to submit various broker-dealer documentation, including the Apex Customer Agreement and any other document required by Apex (collectively, the "Brokerage Documents"). The Account Opening Documents and the Brokerage Documents set forth each parties' respective obligations.

#### **C. Conditions for Managing Accounts**

While Treasure does not impose a minimum portfolio size or investment size to open an account, it does reserve the right in its sole discretion to accept or decline a potential client for any reason. All clients must maintain a checking or savings account with a U.S. bank that can be linked to the Plaid Technologies, Inc. system.

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

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

##### Methods of Analysis

Through qualitative and quantitative due diligence, Treasure makes investment recommendations through the Platform. During Treasure's research and analysis process, Treasure's investment professionals analyze investment fees and performance using historical market data, risk metrics and other benchmarks to determine the appropriate risk

level for each recommended investment strategy. As part of the analysis and review process, Treasure may add, remove, re-categorize or replace the securities that comprise recommended investment strategies (please see Item 4 above for a more in-depth discussion of the investment process). In the event a security is removed and replaced with another substantially similar security, the client's existing portfolio will be similarly altered.

### Investment Strategies

The Platform uses proprietary software that has been developed and created exclusively by Treasure to analyze each client's historical bank account data and information to determine the client's level of idle cash available for investment. Based on the Treasure's algorithm, the Platform will recommend an allocation of various investments to the client that are appropriate for the client based on its specific cash flow needs, and with varying levels of risk tolerance. The client then authorizes the transfer of the recommended level of funds to its brokerage account to be invested based on the Platform's recommendations. The client may, in its sole discretion, authorize the transfer of an amount less than the recommended level.

Treasure's investment strategy is to invest client assets in various investment vehicles comprised solely of mutual funds. The Platform will recommend different investment strategies based on each client's identified level of idle cash and cash flow needs.

### Sources of Information

In conducting its security analysis, Treasure's investment professionals may utilize the following sources of information: financial newspapers and magazines, research materials prepared by others, corporate rating services, timing services, annual reports, prospectuses, filings with the U.S. Securities and Exchange Commission, data services, and company press releases.

### Types of Investments

Investments are limited to mutual funds.

### Investing Involves Risk

Treasure does not guarantee any level of performance or that a client will avoid losses in their Treasure Reserve Account. Treasure's investment recommendations are subject to various market, currency, economic, political and business risks, and such investment decisions are not always profitable. Client's should be aware that there may be a loss or depreciation to the value of their account, which the client should be prepared to bear. There can be no assurance that a client's investment objectives will be met and no inference to the contrary should be made.

Clients need to understand that past performance is no guarantee of future results. All investments carry some level of risk. Clients may lose some or all of the money they invest, including their entire principal, because the value of the client's investments may fluctuate. Dividend or interest payments may also fluctuate, or stop completely, as market conditions change. While past performance does not necessarily predict future returns, it may indicate how volatile (or stable) an investment has been over a period of time. Generally, the more volatile an investment, the higher the investment risk.

The value of a client's Treasure Reserve Account may be affected by one or more of the following risks, any of which could cause a client's portfolio return, the price of the portfolio's shares or the portfolio's yield to fluctuate:

- **Market Risk.** The value of portfolio assets will fluctuate as the stock market fluctuates. The value of investments may decline, sometimes rapidly and unpredictably, simply because of economic changes or other events that affect large portions of the market 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.
- **Reliance on Technology.** The techniques and methodologies utilized by Treasure and the Platform in offering investment advice are fundamentally dependent on technology, including hardware, software and telecommunications systems. The data gathering, research, forecasting, recommendation generation, order execution, trade allocation, risk management, operational, back office and accounting systems, among others, utilized by Treasure are all highly automated and/or computerized. Such automation and computerization are dependent upon an extensive amount of proprietary software and third-party hardware and software, which are known to have errors, omissions, imperfections and malfunctions. Such coding errors may result in, among other things, the generation of unanticipated recommendations, the failure to execute trades in a timely fashion, and/or the failure to properly gather and organize available data, all of which can and may have adverse (and potentially materially adverse) effects on client accounts and/or the client's performance. Treasure seeks, on an ongoing basis, to create adequate backups of software and hardware where possible, but there is no guarantee that such efforts will be successful. Further, to the extent that an unforeseeable software or hardware malfunction or problem is caused by a defect, security breach, virus or other outside force, clients may be materially adversely affected.
- **Reliance on Data.** The Platform is highly reliant on the gathering, cleaning, culling and analysis of large amounts of data from third-party and other external sources. The data used by the Platform is obtained or derived from sources believed to be reliable, but Treasure does not verify such data and cannot guarantee its accuracy and completeness. The Platform also relies heavily on information provided by clients in generating recommendations. If a client were to provide Treasure with inaccurate information, this could materially impact the quality and applicability of the investment strategies that the Platform recommends for that client.
- **Cybersecurity Risk.** The information and technology systems of Treasure and its affiliates, as well as of key service providers, including third-party vendors, central agents, exchanges, clearing houses, and other financial institutions (including the custodian), are vulnerable to risks associated with a breach in cybersecurity. Cybersecurity is a generic term used to describe the technology, processes and practices designed to protect networks, systems, computers, programs and data from cyber-attacks and hacking by other computer users, and to avoid the resulting damage and disruption of hardware and software systems, loss or corruption of data, and/or misappropriation of confidential information. In general, cyber-attacks are deliberate, but unintentional events may have similar effects. Cyber-attacks may cause losses to clients by interfering with the processing of transactions, affecting the ability to calculate net asset value or impeding or sabotaging trading. Clients 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 Treasure to civil liability as well as regulatory inquiry and/or action. In addition, clients could be exposed to additional losses as a result of unauthorized use of their personal information. While Treasure has established business continuity plans, incident responses plans and systems designed to prevent cyber-attacks, there are inherent limitations in such plans and systems, including the possibility that certain risks have not been identified. Similar types of cybersecurity risks also are present for issuers of securities in which Treasure invests, which could result in material adverse consequences for such issuers, and may cause a client's investment in such securities to lose value.

- **Limited Nature and Scope of the Platform.** The Platform does not provide comprehensive financial or tax planning or legal advice, and clients are advised to seek the advice and counsel of the client's own tax, financial, and legal advisers. The Platform's investment recommendations are limited by the information clients provide through the Platform, the limitations of which are further discussed above. Clients should take into consideration the limited nature of the Platform in evaluating the recommendations provided through the Platform. Furthermore, Treasure's investment program: (a) is not a complete investment program; (b) does not account for multiple investment goals; (c) does not consider outside assets, concentration, debt, or other accounts a client may have with any third-party; (d) offers a limited number of investments, allocations, and general recommendations; (e) may not be suitable for all clients; and (f) relies on the information provided by clients in providing investment advice, and does not verify the completeness or accuracy of such information. There could be one or more products available in the investment community that are more appropriate than the investment vehicles made available through the Platform. Given the inherent limitations of Treasure's investment program, clients should carefully consider whether Treasure is the right investment solution for their investing needs.
- **Volatility and Correlation Risk.** Clients should be aware that Treasure's investment 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's portfolio, and may become more acute in times of market upheaval or high volatility. Past performance is no guarantee of future results, and any historical returns, expected returns, or probability projections may not reflect actual future performance.
- **Quantitative Tools Risk.** Some of Treasure's techniques may incorporate, or rely upon, quantitative models. There is no guarantee that these models will generate accurate forecasts, reduce risks or otherwise produce the intended results.
- **Allocation Risk.** The allocation of investments among different asset classes may have a significant effect on portfolio value when one of these asset classes is performing more poorly than the others. In addition, there is a risk that certain asset allocation decisions may not achieve the desired results and, as a result, a client's portfolio may incur significant losses.
- **Liquidity and Valuation Risk.** High volatility and/or the lack of deep and active liquid markets for a security may prevent clients from selling their securities at all, or at an advantageous time or price because there may be difficulty finding a buyer and the client may be forced to sell at a significant discount to market value. Some securities (including mutual funds) that hold or trade financial instruments may be adversely affected by liquidity issues as they manage their portfolios. Values of client accounts are based on reasonably available exchange-traded security data.

Inaccurate data could adversely affect valuations or transaction size for purchases or sales.

- **Credit Risk.** Treasury cannot control and therefore, clients 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 client accounts held with Apex, notwithstanding asset segregation and insurance requirements that are beneficial to clients 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 a client. 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.
- **Foreign (Non-U.S.) Risk.** An investment in securities of non-U.S. issuers may involve more risk than those of U.S. issuers. Their securities may fluctuate more widely in price and may be less liquid due to adverse market, economic, political, regulatory or other factors.
- **Emerging and Frontier Markets Risk.** Securities of companies in emerging markets may be more volatile than those of companies in developed markets. By definition, markets, economies and government institutions are generally less developed in emerging market countries. Investment in securities of companies in emerging markets may entail special risks relating to the potential for social instability and the risks of expropriation, nationalization or confiscation. Clients may also face the imposition of restrictions on foreign investment or the repatriation of capital and a lack of hedging instruments. 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.
- **Capitalization Risk.** Investments in small- and mid-capitalization companies may be more volatile than investments in large-capitalization companies. Investments in small-capitalization companies may have additional risks because these companies have limited product lines, markets or financial resources.
- **Concentrated Portfolios Risk.** Concentrated portfolios are an aggressive and highly volatile approach to trading and investing. Concentrated portfolios hold fewer different stocks than a diversified portfolio and are much more likely to experience sudden dramatic prices swings. In addition, the rise or drop in price of any given holding is likely to have a larger impact on portfolio performance than a more broadly diversified portfolio.
- **Legal, Tax or Legislative Risk.** Legislative changes or court rulings may impact the value of investments or the securities' claim on the issuer's assets and finances, including, but 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.
- **Inflation, Currency, and Interest Rate Risk.** 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 Treasure may be affected by the risk that currency devaluations affects a client's purchasing power.

- **Operational Risk.** Accounts are subject to operational risks arising from factors such as processing errors, human errors, inadequate or failed internal or external processes, fraud by employees or other parties, failure in systems and technology, changes in personnel and errors caused by third-party service providers, all of which may result in losses to the account.
- **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 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.

## **B. Risks Associated with Investment Strategies and Methods of Analysis**

### About the Treasure Algorithm

The algorithm serves as the basis of Treasure's investment recommendations. Given its importance, Treasure believes that clients and potential clients should have a more detailed explanation of the algorithm so they may, in turn, have a clear understanding of how it is used to generate investment recommendations for their account. Of course, Treasure cannot tell clients or prospective clients the exact inner workings of the algorithm as that is highly proprietary, but Treasure will try and explain it without disclosing too much proprietary information. While some of the information in this section may have already been presented elsewhere in this disclosure brochure, Treasure wanted to set forth the functions, limitations and risks associated with using an algorithm to provide investment advice all in one convenient section.

Treasure offers its investment management services through the Platform (*i.e.*, an online application that provides automated financial guidance and services) using an algorithm to generate recommendations for implementation in a client's Treasure Reserve Accounts.

The algorithm has certain risks, including:

- That it is not designed to address prolonged changes in market conditions.
- That it may be overridden to provide alternative recommendations due to changing market and/or economic conditions.
- That it relies on back-tested information, and, thus, may not operate as expected or intended when events having few or no historical antecedents occur.
- While investment advisory personal may oversee the proper functioning of algorithm, they do not monitor each client's account.

Finally, as Treasure adds more functions and capabilities to both the algorithm and the Platform, Treasure will update this disclosure brochure in general and this section in

particular so that clients always have a clear understanding of how Treasure provides its investment management services.

### **C. Risks Associated with Specific Securities Utilized**

#### Mutual Funds - Equity Funds

The major risks associated with investing in credit mutual funds is similar to the risks associated with investing directly credit securities, including market risk, which is the risk that investment returns will fluctuate and are subject to market volatility, so that an investor's shares, when redeemed or sold, may be worth more or less than their original cost. Other risks include the quality and experience of the portfolio management team and its ability to create fund value by investing in securities that have positive growth, the amount of individual company diversification, the type and amount of industry diversification and the type and amount of sector diversification within specific industries. In addition, there is the risk that a manager may deviate from the stated investment mandate or strategy of the mutual fund which could make the holdings less suitable for a client's portfolio. Also, mutual funds tend to be tax inefficient and therefore investors may pay capital gains taxes on fund investments while not having yet sold their shares in the fund. Mutual funds may also carry additional expenses based on their share of operating expenses and certain brokerage fees, which may result in the potential duplication of certain fees.

#### Mutual Funds - Fixed-Income Funds

In addition to the risks associated with investing in equity mutual funds, fixed-income mutual funds also have the following risks:

- *Interest Rate Risk.* The risk that the value of the fixed-income holding will decrease because of an increase in interest rates.
- *Liquidity Risk.* The inability to readily buy or sell an investment for a price close to the true underlying value of the asset due to a lack of buyers or sellers. While certain types of fixed-income securities are generally liquid (e.g., corporate bonds), there are risks which may occur such as when an issue trading in any given period does not readily support buys and sells at an efficient price. Conversely, when trading volume is high, there is also the risk of not being able to purchase a particular issue at the desired price.
- *Credit Risk.* The potential risk that an issuer would be unable to pay scheduled interest or repay principal at maturity, sometimes referred to as "default risk." Credit risk may also occur when an issuer's ability to make payments of principal and interest when due is interrupted. This may result in a negative impact on all forms of debt instruments.
- *Reinvestment Risk.* With declining interest rates, investors may have to reinvest income or principal at a lower rate.
- *Duration Risk.* Duration is a measure of a bond's volatility, expressed in years to be repaid by its internal cash flow (interest payments). Bonds with longer durations carry more risk and have higher price volatility than bonds with shorter durations.

#### Mutual Funds - Index Funds

Index Funds have the potential to be affected by "tracking error risk" which means a deviation from a stated benchmark index. Since the core of a portfolio may attempt to closely



replicate a benchmark, the source of the tracking error (deviation) may come from a “sample index” that may not closely align the benchmark. In addition, while many index mutual funds are known for their potential tax efficiency and higher “qualified dividend income” (QDI) percentages, there are assets classes within these funds or holding periods that may not benefit. Shorter holding periods, as well as commodities and currencies that may be part of a fund’s portfolio, may be considered “non-qualified” under certain tax code provisions.

**Past performance is not a guarantee of future returns. Investing in securities and other investments involve a risk of loss that a client should understand and be willing to bear.**

## **Item 9 - Disciplinary History**

Treasure is required to disclose any legal or disciplinary events that may be material to a client’s evaluation of Treasure’s investment advisory business or the integrity of Treasure’s management. Neither Treasure nor its management personnel have any reportable disciplinary history.

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

### **A. Broker-Dealer Registration and Registered Representatives**

Treasure is not registered, nor does it have an application pending to register, as a broker-dealer. No management person is registered, nor does any management person have an application pending to register, as a registered representative of a broker-dealer.

### **B. Futures and Commodity Registration**

Treasure is not registered, nor does it have an application pending to register, as a futures commission merchant, commodity pool operator or a commodity trading advisor. No management person is registered, nor does any management person have an application pending to register, as an associated person of a futures commission merchant, commodity pool operator or a commodity trading advisor.

### **C. Financial Industry Affiliations**

Treasure does not have any financial industry affiliations to disclose.

Treasure’s parent company, Treasure Technologies, Inc. provides technology, marketing, technical, and back office support for the Platform. Treasure Technologies, Inc. has implemented an information security program, including cybersecurity and privacy policies and procedures to ensure the safety and confidentiality of client information.

### **D. Selection of Other Advisers**

Treasure does not utilize nor select unaffiliated third party investment advisers.

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

## **A. Code of Ethics**

Treasure has adopted a Code of Ethics to prevent violations of federal securities laws. Treasure's Code of Ethics is predicated on the principle that Treasure owes a fiduciary duty to its clients. Accordingly, Treasure expects all of its associated persons to act with honesty, integrity and professionalism and to adhere to the federal securities laws. All officers, directors, shareholders and associated persons of Treasure and any other person who is subject to Treasure's control and supervision are required to adhere to our Code of Ethics. At all times Treasure and its associated persons must (i) place client interests ahead of Treasure's or their own; (ii) engage in personal investing that is in full compliance with Treasure's Code of Ethics; and (iii) avoid taking advantage of their position. A copy of Treasure's Code of Ethics is available to clients or any prospective clients upon request by contacting Treasure at [support@treasurefi.com](mailto:support@treasurefi.com).

## **B. Material Financial Interests**

Treasure does not act as principal in any of its clients' securities transactions. Treasure does not act as the general partner of a fund, or advise an investment company. Treasure does not have a material interest in any securities traded in client accounts.

## **C. Investing in Same Securities as Clients**

Treasure allows its associated persons to purchase or sell the same securities that may be recommended to and purchased on behalf of clients via the Platform. However, the size of personal trades and the types of investments (i.e., open-end mutual funds) that are likely to be transacted in would not have a practical impact on prices in those securities or create any conflict of interest.

Treasure has a personal securities transaction policy in place to monitor the personal securities transactions and securities holdings of certain of its associated persons. The policy requires that any person associated with Treasure that has access to clients' investment data may not purchase, directly or indirectly, any covered security in which he or she has, or because of such transaction acquires, any direct or indirect beneficial ownership and which to his or her actual knowledge at the time of such purchase or sale, is (a) the subject of an initial public offering; (b), not in the open market; or (c) made pursuant to any exemption from the registration provisions of the federal securities laws, unless such transaction has been approved in advance by Treasure's Chief Compliance Officer.

In addition, any associated person with access to client investment data must provide the Chief Compliance Officer or his/her designee with (i) a written report of their current securities holdings within ten days after gaining such access, (ii) quarterly transaction reports and (iii) annual reports thereafter on a date Treasure selects.

## **D. Engaging in Transactions at Same Time as Client**

From time to time, representatives of Treasure may buy or sell securities for themselves at or around the same time as clients. However, the size of personal trades and the types of investments (i.e., open-end mutual funds) that are likely to be transacted in would not have a practical impact on prices in those securities or create a conflict of interest. Treasure will always document any transactions that could be construed as conflicts of interest. As stated above, no person associated with Treasure shall prefer his or her own interest to that of any client.

## Item 12 - Brokerage Practices

### A. Brokerage Selection

Treasure has entered into an agreement with Apex Clearing Corporation, a registered broker-dealer and a member of the Financial Industry Regulatory Authority and the Securities Investor Protection Corporation (“Apex” or the “Custodian”), wherein Apex will provide trade execution, clearance and act as the qualified custodian for clients’ brokerage accounts. Treasure will aid clients, through the Platform, in entering into a customer agreement with Apex (the “Customer Agreement”) that establishes clients’ individual brokerage account at Apex (the “Treasure Reserve Account”). Treasure may remove or replace the Custodian at any time subject to the terms of the Customer Agreement. Pursuant to the Customer Agreement, Apex will be responsible for (i) holding the assets (i.e., cash and securities) in a client’s Treasure Reserve Account; (ii) maintaining and recording transactions in cash and securities made in a client’s Treasure Reserve Account; (iii) executing, clearing and settling orders placed by Treasure on a client’s behalf; and (iv) providing clients with statements, confirmations, other required documentation, as well as for providing clients with other information about their Treasure Reserve Account and any transactions made in that Treasure Reserve Account.

Accordingly, under the terms of the Customer Agreement, a client is authorizing Apex to (i) execute all trades and transactions made on the client’s behalf by Treasure and (ii) establish and carry the client’s Treasure Reserve Account that holds the client’s securities and cash and records the transactions the client has made.

#### Best Execution

Best execution has been defined by the SEC as the “execution of securities transactions for clients in such a manner that the client’s total cost or proceeds in each transaction is the most favorable under the circumstances.” The best execution responsibility applies to the circumstances of each particular transaction and an investment adviser must consider the full range and quality of a broker-dealer’s services, including, among other things, execution capability, commission rates, the value of any research, financial responsibility and responsiveness.

In seeking best execution, the determinative factor is not the lowest possible cost, but whether the transaction represents the best qualitative execution, taking into consideration the full range of a broker-dealer’s services, including among others, the value of research provided, execution capability, commission rates, and responsiveness. Consistent with the foregoing, while Treasure will seek competitive rates, it may not necessarily obtain the lowest possible commission rates for client transactions.

#### Broker Analysis

Treasure evaluates a wide range of criteria in seeking the most favorable price and market for the execution of transactions. These include the broker-dealer’s trading costs, efficiency of execution and error resolution, financial strength and stability, capability, positioning and distribution capabilities, information in regard to the availability of securities, trading patterns, statistical or factual information, opinion pertaining to trading and infrastructure to support fractional allocations.

Also in consideration is such broker-dealers' provision or payment of the costs of research and other investment management-related services (the provisional payment of such costs by brokers are referred to as payment made by "soft dollars", as further discussed in the "Research/Soft Dollars Benefits" section immediately below). Accordingly, if Treasure determines in good faith that the amount of trading costs charged by a broker-dealer is reasonable in relation to the value of the brokerage and research or investment management-related services provided by such broker, the client may pay trading costs to such broker in an amount greater than the amount another broker might charge.

Treasure's Chief Investment Officer is responsible for continuously monitoring and evaluation the performance and execution capabilities of brokers that transact orders for client accounts to ensure consistent quality executions. In addition, Treasure periodically reviews its transaction costs in light of current market circumstances and other relevant information.

#### Research/Soft Dollar Benefits

Treasure does not have any commitments or understandings to trade with specific brokers or to generate a specific level of brokerage commission with a particular broker to receive discounted brokerage or research services.

#### Directed Brokerage

##### *Company Directed Brokerage*

As stated above, in order to obtain Treasure's investment management services via the Platform, clients must use Apex as their broker-dealer/custodian.

##### *Client Directed Brokerage*

Treasure does not permit clients to direct trades to a broker-dealer other than Apex.

## **B. Trade Aggregation and Allocation**

Orders for purchases or sales in a client's Treasure Reserve Account may be combined with orders for purchases or sales of securities in other client's accounts and/or with purchases or sales of securities by Treasure into larger orders for aggregate transactions for each applicable security in a client's Treasure Reserve Account. Transactions will be executed at market price and will be allocated among client accounts in proportion to the purchase and sale orders placed for each client account on any given day. Each client that participates in an aggregated order will participate based on the average execution price in that particular security. This may result in a client receiving better or worse pricing than if their trade was not aggregated.

## **Item 13 - Review Of Accounts**

### **A. Periodic Reviews**

Through the algorithm, Treasure monitors investments in each client's account on a continuous basis and makes recommendations to move client's idle cash on a weekly basis. Subject to planned and unplanned maintenance and downtime, Treasure provides clients

with continuous access via the Platform to real time reporting information about their account status, securities positions and balances.

## **B. Other Reviews**

Given the continuous nature of the algorithm's monitoring of client accounts, there are no circumstances (i.e., changes in material market, economic or political events) that would trigger an additional review.

## **C. Regular Reports**

Each client will receive brokerage statements no less than quarterly from Apex. These brokerage statements are sent directly from Apex to the client. The client may also establish electronic access to Apex's website so that the client may view these reports and their account activity. Client brokerage statements will include all positions, transactions and fees relating to the client's account.

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

### **A. Economic Benefits**

Neither Treasure, nor any of its associated persons, receive any economic benefits such as sales awards or other prizes from any non-client for providing investment management services to Treasure's clients.

### **B. Client Referrals**

From time to time, Treasure may retain solicitors to refer clients to the firm. If a client is introduced to Treasure by either an unaffiliated or an affiliated solicitor, Treasure may pay that solicitor a referral fee in accordance with the requirements of Rule 206(4)-3 of the Investment Advisers Act of 1940, and any corresponding state securities law requirements. Any such referral fee shall be paid solely from Treasure's investment management fee, and shall not result in any additional charge to the client. If the client is introduced to Treasure by an unaffiliated solicitor, the solicitor, at the time of the solicitation, shall disclose the nature of their solicitor relationship, and shall provide each prospective client with a copy of this disclosure brochure together with a copy of the written disclosure statement from the solicitor to the client disclosing the terms of the solicitation arrangement between Treasure and the solicitor, including the compensation to be received by the solicitor from Treasure. Any affiliated solicitor shall disclose the nature of their relationship to prospective clients at the time of the solicitation and will provide all prospective clients with a copy of this disclosure brochure.

## **Item 15 - Custody**

Custody of client assets will be maintained with the Custodian. Treasure will not have physical custody of any assets in the client's Treasure Reserve Account. Clients will be solely responsible for paying all fees or charges of the Custodian. Clients authorize Treasure to give the Custodian instructions for the purchase, sale, conversion, redemption, exchange or

retention of any security, cash or cash equivalent or other investment in the client's Treasure Reserve Account.

At least quarterly, clients will receive directly from the Custodian a statement showing all transactions occurring in the client's Treasure Reserve Account during the period covered by the account statement, and the funds, securities and other property in the Treasure Reserve Account at the end of the period.

Clients are urged to carefully review statements received from the Custodian to ensure the accurate reporting of such information.

## **Item 16 - Investment Discretion**

Treasure provides discretionary investment management services through the Platform. Please see Item 4 – Advisory Services - of this disclosure brochure for more detailed information pertaining to how Treasure provides its investment management services. Treasure requires discretion over the selection and amount of securities to be bought or sold in client accounts without obtaining prior consent or approval from the client. The granting of such authority will be evidenced by the client's execution of the investment management agreement. All discretionary trades made by Treasure will be in accordance with each client's particular investment objectives and goals.

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

### **Proxy Voting**

Treasure does not have authority to and does not vote proxies on client's behalf. Therefore, clients maintain exclusive responsibility for: (i) directing the manner in which proxies solicited by issuers of securities beneficially owned by the client shall be voted and (ii) making all elections relative to any mergers, acquisitions, tender offers, bankruptcy proceedings or other type events pertaining to a client's investment assets. Treasure shall correspondingly facilitate Apex's forwarding to clients copies of all proxies and shareholder communications relating to the investment assets in the client's Treasure Reserve Account.

### **Legal Proceedings**

Treasure will not be responsible for advising in respect of or otherwise handling client claims in class action lawsuits or similar legal proceedings or settlements involving securities owned or previously owned by a client. Clients will receive the paperwork for such claims directly from Apex.

## **Item 18 - Financial Information**

### **A. Prepayment of Fees**

Because Treasure does not require or accept prepayment of more than \$1,200 in fees six months or more in advance, Treasure is not required to include a balance sheet with this disclosure brochure.

### **B. Financial Condition**

Treasure does not have any adverse financial conditions to disclose.

### **C. Bankruptcy**

Treasure has never been the subject of a bankruptcy petition.

## **Additional Information**

### **A. Privacy Notice**

Treasure is committed to maintaining the confidentiality, integrity and security of any personal information about its clients. Treasure stresses its privacy and security standards to guard against identity theft and provide security for clients' confidential information. Treasure re-evaluates its privacy and security policies periodically and adapt them as necessary to deal with new challenges. Treasure uses and discloses client information only as follows: (i) to analyze Platform usage and improve Treasure's ability to deliver to clients any administrative notices, alerts, and communications relevant to a client's use of the service; (ii) to fulfill client requests for certain products and services; (iii) to service providers including custodians, broker-dealers, transfer agents, and accountants that agree to be bound by these privacy restrictions; (iv) to enforce Treasure's Terms of Use; and as otherwise set forth in Treasure's Privacy Policy, which is available at [www.treasurefi.com/disclosures/privacypolicy.pdf](http://www.treasurefi.com/disclosures/privacypolicy.pdf)

### **B. Requests for Additional Information**

Clients may contact Treasure's customer support team by email at [support@treasurefi.com](mailto:support@treasurefi.com) with respect to technical questions regarding the Platform or to submit a complaint. Written complaints should be sent to 125 Cervantes Boulevard, #3, San Francisco, California 94123. Complaints can only be made through these two methods and any complaint made through one of Treasure's social media platforms will not be acted upon.