



Item 1 Cover Page

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December 20, 2021

### FORM ADV PART 2A: THE BROCHURE

This brochure provides information about the qualifications and business practices of Vise AI Advisors, LLC ("Vise"), an investment adviser registered with the United States Securities and Exchange Commission (the "SEC") under the Investment Advisers Act of 1940, as amended (the "Advisers Act"). Such registration does not imply a certain level of skill or training. Vise has registered its business with state and federal regulatory authorities, including the SEC (Vise's SEC number is 801-116970). The information in this brochure has not been approved or verified by the SEC or by any state securities authority.

If you have any questions about the contents of this brochure, please contact us at the telephone number provided above or by email at [legal@vise.com](mailto:legal@vise.com). Additional information about Vise is available on the SEC's website at [www.adviserinfo.sec.gov](http://www.adviserinfo.sec.gov).

This brochure is for informational purposes only. It does not convey an offer of any type and is not intended to be, and should not be construed as, an offer to sell, or the solicitation of an offer to buy, any interest in any entity, investment, or investment vehicle.

## **Item 2 Material Changes**

This brochure dated December 20th, 2021, updates and replaces our prior brochure dated March 24, 2021, and reflects the following changes:

### **Item 4 Advisory Business**

- The launch of a new investment strategy on January 10, 2022, that allows advisors to customize how much exposure to take to specific factors.
- We also launched revamped tax management functionality inclusive of capital gains budget for transitioning a portfolio and automated tax loss harvesting.
- The new investment strategy will replace our previous investment strategy in all accounts over time.

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

- Item 8 was revised to include tax management risk for clients and Intermediaries who elect to activate Vise's tax management service.
- The description of Operating Events was updated to remove incorrect trade allocations, portfolio performance calculation, management fee calculations, trade recording and settlement and other matters.

Although we have made other changes and updates to our previous brochure, we do not consider such changes to be material. Clients and prospective clients should review the brochure carefully.

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## Item 4 Advisory Business

Vise is a Delaware limited liability company, registered with the SEC, that operates an Internet-based investment advisory business that uses proprietary algorithms and other technological means for the provision of investment advisory services to other investment advisors and their individual investor clients. Vise is a wholly-owned subsidiary of Vise Technologies, Inc., a Delaware corporation. Vise has been in the investment advisory business since July 2019.

Vise offers investment advisory services to individual investors ("Clients") exclusively through a sub advisory relationship with third-party registered investment advisors, broker dealers, and other financial advisors ("Intermediaries"). The customers of Vise are Intermediaries who wish to have their clients (the individual investors) assets invested on the Vise platform. Clients do not have access to the Vise platform and their assets are managed on Vise exclusively through the intermediary.

Vise's mission is to offer clients personalized investment options and to help Intermediaries grow their client's wealth by providing access to diverse investment options. Vise employs automated asset allocation, portfolio analysis, tax management, portfolio rebalancing, and portfolio selection strategies to Intermediaries (the "Service"). The Service is applied to brokerage accounts and other tax advantaged accounts not limited to individual retirement accounts ("IRAs") and Roth IRAs. As part of the Service, Intermediaries are granted access to Vise's secure website as a tool to monitor and manage client assets.

Vise is launching a new investment strategy on January 10<sup>th</sup>, 2022, that allows advisors to customize how much exposure to take to specific factors (known as an "active tilt") such as value, dividend, size, and profitability for each client account. We've also launched revamped tax management functionality that allow advisors to set a capital gains budget for transitioning a portfolio and automated tax loss harvesting. This new investment strategy will replace our previous investment strategy in all accounts over time. A change to Vise's investment strategy could mean greater than normal turnover in portfolios for clients but this turnover can be controlled with Vise's new capital gains functionality.

Vise bases its advice on client investment objectives and restrictions, as provided by Intermediaries, and according to the applicable investment management, sub-adviser and platform services agreement (collectively, the "Governing Documents"). Intermediaries are required to provide inputs such as client risk tolerance, age, exclusion preferences, years to investment goals and other key information.

For taxable accounts, Vise also offers a Tax-Loss Harvesting ("TLH") strategy. This strategy is used to defer and offset taxes while maintaining a similar risk and return profile for the portfolio. Vise identifies unrealized losses in the account, accelerating realizing the capital loss and then invests in a similar security to maintain a similar amount of risk and expected return in the portfolio. The realized capital loss offsets any realized gains in the account, thereby deferring tax liability. Other tax management functionality that Vise offers is capital gains budgeting. Advisors can specify a capital gains budget that they'd like Vise's optimization to respect and Vise transitions the portfolio to its target portfolio within that budget over time.

The Intermediary will use Vise's interactive, online platform to create and manage a desired investment strategy (the "Strategy") for their underlying clients.

At all times, the Intermediary, and not Vise, is responsible for maintaining the initial and ongoing relationship with the client and rendering individualized investment advice to the client. In addition, the Intermediary, and not Vise, is responsible for (1) determining the initial and ongoing suitability of the Strategy for the investor; (2) devising or determining the specific initial and ongoing desired Strategy; (3) monitoring performance of the Strategy; and (4) modifying and/or terminating the management of the investor's account using the Strategy (5) approval the suitability of the strategy and recommendations.

The client shall not look to Vise for, and Vise shall not have any responsibility for: (1) providing individualized investment advice or making any determination as to the initial or ongoing suitability of any Strategy for any client; (2) monitoring the Strategy; or (3) the performance of the Strategy. At this time, Vise is intended for

use only by investment professionals and by certain other sophisticated investors with appropriate knowledge and experience who are able to bear the risks of loss associated with the use of the Vise platform.

### **No Financial Planning/Consulting Services**

We do not hold ourselves out as providing, nor do we provide, any financial planning or related consulting services. Neither our firm, nor any of our representatives, serves as an attorney, accountant or insurance agent, and no portion of our services should be construed as legal, accounting or insurance advice.

### **Intermediary Obligations**

In performing our services, we are not required to verify any information received from the intermediary or from the intermediary's other professionals and are expressly authorized to rely on the information we receive. Moreover, each intermediary is advised that it remains its responsibility promptly to notify us if there is ever any change in its financial situation or investment objectives; we rely on the intermediary to make sure we have this information so that we can review, evaluate and, if necessary, revise our previous recommendations or services.

Vise managed approximately \$558,974,604 in investment capital on a discretionary basis through proprietary algorithms and other technological means as of December 15, 2021.

## **Item 5 Fees and Compensation**

### **MANAGEMENT FEE**

Vise's compensation for providing the Service includes an asset-based fee ("Management Fee"), the terms of which are set forth in Governing Documents. The Management Fee is generally 0.50% of assets under management. Vise may, in its sole discretion, charge a Management Fee that differs from its standard Management Fee.

The Management Fee is generally paid quarterly in advance or arrears, based on net assets under management and according to Vise's billing methodology. If billed in advance, the Management Fee shall be based on the aggregate value of accounts using closing prices on the last trading day of the prior billing period. If billed in arrears, the Management Fee shall be based on the average daily balance of all managed accounts during the prior billing period. The average daily balance will be affected by deposits and withdrawals during the billing period. For any initial billing that falls within a billing period, Management Fee shall be billed in arrears. Vise may, in its sole discretion, revise the frequency of Management Fee payment intervals from those that apply at the time a client subscribes to the Service.

From time to time, Vise will offer promotions in the form of Management Fee waivers where clients can receive a reduced Management Fee for a period of time. Such promotions may run indefinitely or for a limited period of time. Vise may also offer Intermediaries breakpoints to Intermediaries paying the Management Fee or provide uniform reductions to the clients of Intermediaries where an Intermediary's client assets under management exceed certain thresholds.

### **PLATFORM FEE**

Vise's compensation for providing access to its website and associated systems also includes a fixed fee ("Platform Fee"). Vise may, in its sole discretion, charge a Platform Fee that differs from its standard Platform Fee. The Platform Fee is generally paid monthly in advance. The Platform Fee shall be prorated for the provision of any Service that commences or terminates in the middle of a billing period.

From time to time, Vise will offer promotions in the form of Platform Fee waivers where new or existing Intermediaries can receive a reduced Platform Fee for a period of time. Such promotions may run indefinitely or for a limited period of time. Vise may also offer Intermediaries breakpoints to Intermediaries paying the Platform Fee where an Intermediary's client assets under management exceed certain

thresholds.

#### **EXPENSE RATIOS**

Vise may manage commingled funds such as ETFs or other mutual funds alongside stocks, as part of a client's overall account allocation. In addition to management fees, each client will incur expenses from these commingled funds held in their account, which are charged by the 3rd party asset manager and are separate from Vise's fees.

#### **OTHER FEES AND EXPENSES**

Each client will incur brokerage costs and incur other costs pursuant to the terms of their custodial and brokerage agreements in connection with the Service. In addition, clients may be charged "transfer out" fees by brokers when transferring their accounts from such brokers to their Service account broker, or when transferring their accounts from the Service broker after terminating the Service. Vise is not involved in any way with the establishment of a Service account broker's fee structures and receives no remuneration from any Service account broker or from brokers who may charge the clients exit or "transfer out" fees. Please see Item 12 ("Brokerage Practices") of this brochure for a further discussion of Vise's brokerage practices. Where Vise provides the Service to clients through an Intermediary pursuant to an investment advisory and technology services agreement, Vise generally receives management fees and fixed platform fees from the Intermediary (in addition to the Variable Fee referenced above). Such fees are negotiated between Vise and the Intermediary.

#### **ACCOUNT TERMINATION**

Vise may terminate a client's and/or Intermediary's access to the Service if it believes the client or Intermediary is in breach of the Governing Document or other agreements with the client or Intermediary. Vise may also terminate a client's or Intermediary's access to the Service in Vise's sole discretion and without cause. If Vise or a client terminates access to the Service, Vise will remit a pro-rated refund for the unused portion of the Management Fee to each client or Intermediary whose access to the Service is terminated.

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

Vise does not charge performance-based advisory fees or receive incentive allocations. Vise's Management Fee is based on a fixed percentage of assets under management (with or without breakpoints, discounts or promotions).

Side-by-side management of separately managed account programs raises potential conflicts of interest where the Management Fee arrangements, which are based on a fixed percentage of assets under management, vary by and for Intermediary's programs. To help mitigate such potential conflicts of interest, Vise's policies and procedures stress that investment decisions are to be made in accordance with the fiduciary duties owed to each such account and without consideration of Vise's (or its personnel's) pecuniary, investment, or other financial interests.

Vise's investment management platform manages multiple Client accounts across multiple Intermediaries. Investment decisions are made independently across accounts. This may result in buying securities in some accounts and selling the same securities in other investment accounts. Vise has implemented compliance procedures to reduce conflicts of interests related to Side-by-Side Management of accounts.

## Item 7 Types of Customers

Vise offers the Service to clients through Intermediaries, and their related accounts, including individual retirement accounts, who maintain one or more accounts at a broker-dealer custodian.

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

### **METHODS OF ANALYSIS AND INVESTMENT METHODS**

Vise utilizes proprietary, automated, computer algorithms to implement the investment models, asset allocation, asset classes, list of eligible securities, and model parameters provided by the Intermediary. Vise uses a factor-based investment methodology, and classifications based on fundamental factors. The methodology takes stock specific metrics from balance sheet, income statement, and other sources and combines them into a score for each security. This score is a proxy for higher or lower expected returns. Portfolios are tilted away from market cap stock weights based on the clients' preference and risk tolerance for higher/lower expected returns. Given inputs provided by the Intermediary, the Vise platform creates a portfolio that invests in securities based on this methodology.

Using a portfolio risk questionnaire in conjunction with the investor profile that is provided by the Intermediary, Vise builds a customized portfolio using primarily individual exchange-listed securities, with ETFs used to provide access to peripheral asset classes (non-US-traded securities, fixed income, etc.) or to round out sector allocations as required based on the portfolio account balance. As market changes or major changes within individual companies are identified, the portfolio management system updates the portfolios accordingly. The system makes tradeoffs between target allocations/risk profiles, taxes, and trading costs in order to manage accounts for its clients.

Vise primarily offers investment recommendations on the following types of securities or securities-linked investments: equities, commodities, cryptocurrency, fixed income, and real estate, the exposure of which is obtained through investments and trading in single securities, exchange-traded funds ("ETFs"), exchange-traded notes ("ETNs"), mutual funds, and securities issued by real estate investment trusts ("REITs"). Using these types of securities and vehicles, Vise provides exposure to U.S., developed, and emerging markets.

Vise's selection criteria of asset classes are based on the following: historical performance throughout different economic scenarios, correlation with other asset classes in Vise's investable universe, macroeconomic indicators and long-term trends, cost and tax efficiency, and susceptibility to inflation. Asset classes are categorized into four broad categories, each of which can be either domestic or international: equities, fixed income, cash equivalent assets, and real estate.

Any changes to a client portfolio may be required to satisfy several criteria before orders are submitted, including (but not limited to) the impact of trade commissions, spreads, and other costs, capital gains exposure, expected standard deviation in the portfolio, harvested losses, exposure to higher returns, or probabilities of reaching a specified target portfolio value. A criterion may also be given a priority based on settings placed by the Intermediary during the process of creating the client or portfolio profile. If changes to a portfolio are recommended based on the above factors, a notification will be sent to the Intermediary, along with justifications for the trade recommendations. At the same time, Vise will use the discretionary authority provided to submit orders directly to Vise selected custodians or brokers.

### **INTERVENTION AND OVERSIGHT OF ALGORITHM OUTPUTS**

During the oversight and portfolio review process Vise reserves the right to use its investment discretion to alter or change the algorithm proposed trades. In certain circumstances, Vise may use manual intervention to amend the quantity and/or securities suggested to be traded by the algorithm in order to further manage turnover, tax outcomes, cash level, or specific advisor requests. Vise may amend advisor-initiated trades to further align with the client's goals, reduce turnover, reduce adverse tax outcomes, and cash target optimization. In certain circumstances, Vise may amend the proposed trades to reduce turnover by limiting

the number of buys and/or sells in the rebalance.

Vise continuously monitors accounts for deviation or drift in asset classes, individual securities, cash levels, and/or risk using computer software as well as utilizing a human oversight policy. Vise will take action to resolve any circumstances deemed to be extraordinary and adverse to the client based on the provided account parameters.

Vise reserves the right to change these policies at its discretion, at any time, and without notice.

#### **UNRECOGNIZED POSITIONS**

Vise may inherit discretion over securities from externally managed portfolios during account initialization that are not part of its investment model and/or are unrecognizable. Within capital gains limits specified by the intermediary, Vise reserves the right to sell out of these securities in order to transition the client toward their desired Vise allocation.

#### **POTENTIAL RISK FACTORS - OVERVIEW**

The operating results, financial condition, activities, and prospects of an investment by Vise on behalf of clients could be materially adversely affected by changes or instability in market, economic, political, technological, regulatory, and social conditions, and by numerous other factors outside the control of Vise.

In addition, Vise's investment strategies and/or investments are likely to be exposed to risks relating to weaknesses in various global economies and risks relating to the economic cycle. Numerous factors affecting the performance of Vise's investment strategies, such as market volatility, interest rates, commodity prices, equity prices, currency prices, credit spreads, and deflationary and inflationary pressures, are affected by the economic cycle and long-term economic trends. Predictions about financial market conditions and economic factors are highly uncertain, and the presence, duration, and impact of any market or economic conditions could have a materially adverse effect on Vise's investment strategies. Premiums that Vise uses to invest such as value, profitability, growth, and value are not guaranteed to be positive on any given time scale and may be exposed to drawdown risk.

Vise may choose not to attempt to, or be unable to, hedge the risk exposures outlined in this Brochure, and there can be no assurance that any hedging attempted by Vise would reduce applicable risks.

In recent years, disruptions in the global financial markets, the scope and severity of which are without precedent in recent financial history, have had materially adverse, and in certain cases catastrophic, consequences for the values, liquidity, and stability of certain types of investments, including the types of investments Vise's clients may pursue. Similar or dissimilar disruptions may occur in the future, and the duration, severity, and ultimate effect of such disruptions are difficult to forecast. These disruptions may lead to additional regulations or laws, which could have a material adverse effect on Vise and its clients. In the event of a serious market disruption, Vise may, pursuant to policies and procedures it has established, delay or suspend order submissions in respect of client accounts. Such trading delays or suspensions may result in increased tracking error, lower returns and/or an inability of Vise to effect portfolio strategies such as tax loss harvesting and rebalances.

The method of analysis and techniques employed by Vise are based on the information and data available to it as well as on its assumptions, assessments, and estimates, all of which are subject to error. As a result, such methods of analysis and techniques may not account for all relevant factors or may not account for any such factors correctly. More generally, there can be no assurance that such models and techniques would be effective. Further, client portfolios may be exposed to frequent rebalancing based on market conditions, client needs and other factors not accounted for by Vise. Vise algorithms may contain errors despite best efforts to thoroughly test all software prior to release.

Vise does not make any assurance that its recommendations will result in profitable investing or avoidance of loss. Investing in securities involves risk of loss that clients should understand and be prepared to bear.



Vise makes no guarantee or representation that its investment recommendations will be successful. Investment performance can never be predicted or guaranteed, and the value of each client's account will fluctuate due to market conditions and other factors. Past performance, and performance from back-testing and simulations is no guarantee of future results.

#### **RELIANCE ON CLIENT INFORMATION**

The recommendations provided by Vise are not intended to comprise the client's complete investment program in cases where Vise does not manage the client's assets held in employer retirement plans, which are subject to ERISA, or other accounts that the client has not aggregated for Vise's discretionary advisory services.

Vise's recommendations are highly reliant on the accuracy of the information provided to Vise by Intermediaries, clients and their custodians. If an Intermediary were to provide Vise with inaccurate client information, this could materially impact the quality and applicability of Vise's recommendations. In addition, Vise's recommendations are limited in scope to the questions Vise asks through Vise's website and the information that clients provide to Vise. There may be additional information or other financial circumstances not considered by Vise based on the questions asked at the time a client establishes their investment goals that would inform the investment advice and recommendations provided by Vise. Clients are invited to call their Intermediary to discuss any such additional information or other financial circumstances that a client believes may be relevant to the advice provided by Vise.

#### **COMMODITY AND SECURITY RISK**

Vise may recommend investments in commodities linked securities (e.g., single securities, commodity-based ETFs and ETNs). Negative changes in a commodity market could have an adverse impact on the value of commodity-linked investments including companies that are susceptible to fluctuations in commodity markets. The value and/or liquidity of commodity-linked investments may be affected by changes in overall market movements, taxation, terrorism, nationalization or expropriation, commodity index volatility, changes in interest rates, or factors affecting a particular industry or commodity, such as, weather (e.g., drought, flooding), livestock disease, embargoes, international trade, tariffs and international economic, political and regulatory developments. The prices of sector commodities (e.g., energy, metals, agriculture and livestock) may fluctuate widely due to factors such as changes in value, supply and demand and governmental regulatory policies.

#### **CREDIT RISK**

Vise cannot control, and 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 assets on deposit with any broker-dealer, notwithstanding asset segregation and insurance requirements that are beneficial to broker-dealer 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 Client securities. 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. Certain funds and products may involve higher issuer credit risk because they are not structured as a registered fund.

#### **CURRENCY RISK**

Certain segments of the strategies deployed by Vise may maintain material unhedged exposure, whether intentional or unintentional, to various market movements, and other sources of risk, whether known or unknown. Currency risk is implicit in Vise's exposure to, without limitation, foreign bonds, foreign real estate, and foreign equity investments. Such sources of risk may include changes in current or future levels and/or volatility of interest rates, currency prices, commodity prices, sovereign credit spreads, corporate credit spreads, and equity and other markets, as well as correlations between any such risks. There can be no assurance that an investment of a portfolio managed by Vise would improve the risk/return profile of any client's overall portfolio or otherwise improve the performance of such portfolio, and such an investment may in fact result in material losses.

**DEBT MARKET CONDITIONS**

Vise may recommend investments in fixed-rate securities of varying maturities, including bonds or debentures issued by corporations, government agencies, and government-sponsored entities. In recent years, disruptions in debt markets have affected the price of, as well as clients' ability to make, certain types of investments, and there can be no assurance that these disruptions will not reoccur in the future. Any such disruptions may negatively affect a wide range of issuers and may increase the likelihood that such issuers will be unable to make principal and interest payments on, or refinance, outstanding debt when due. Moreover, the risk that such disruptions will affect an issuer's ability to pay its debts and obligations when due is enhanced if such issuer in turn provides credit to third parties or otherwise participates in the credit markets. In the event of a default by an issuer, Clients could lose both capital invested in, and anticipated profits from, any affected investment. The reoccurrence of the events described in this paragraph, or other similar or dissimilar events, could have an adverse impact on the availability of credit to businesses generally and may lead to an overall weakening of the U.S. and other economies around the world. In addition, any disruptions of this kind may affect a client's ability to procure its own financing arrangements and/or the terms of any such arrangements.

**EQUITY SECURITIES RISK**

Vise may recommend investments in equity securities. Equity securities are subject to changes in value and their values may be more volatile than other asset classes. The value of equity securities varies in response to many factors. These factors include, without limitation, factors specific to an issuer and the industry in which the issuer's securities are subject to market risk. Historically, U.S. and non-U.S. stock markets have experienced periods of substantial price volatility and may do so again in the future.

**ETF RISKS, NAV AND TRACKING ERROR**

Under some market conditions, ETF NAVs may differ significantly from implied NAV from its constituents, exposing investors to price risk when trading in these names.

**LIQUIDITY RISK**

For a certain period of time securities that Vise manages may not be able to be traded quickly enough in the market without impacting the market price, as a result of but not limited to widening bid/ask spreads and/or limited depth at specific prices.

**FIXED INCOME SECURITIES RISK**

Vise may recommend investments in fixed income securities. Fixed income securities are subject to interest rate risk. Generally, the value of fixed income instruments will change inversely with changes in interest rates. As interest rates rise, the market value of such instruments tends to decrease. Conversely, as interest rates fall, the market value of such instruments tends to increase. This risk will typically be greater for instruments based on longer-term interest rates than for instruments based on shorter-term interest rates.

**EMERGING MARKETS FIXED INCOME SECURITIES RISK**

Vise may recommend investments in emerging market fixed income securities. Evaluating credit risk for non-U.S. fixed income securities involves uncertainty because credit rating agencies throughout the world have different standards, making comparisons across countries difficult. Because investors generally perceive that there are greater risks associated with such emerging market instruments, the yields or prices of such fixed income securities may tend to fluctuate more than those for higher-rated fixed income securities.

**MASTER LIMITED PARTNERSHIP RISKS**

Master Limited Partnerships ("MLPs") are limited partnerships or limited liability companies whose interests (limited partnerships or limited liability companies units) are generally traded on securities exchanges like shares of common stock. Investments in MLPs entail different risks, including tax risks, than is the case for other types of investments. Currently, most MLPs operate in the energy, natural resources, or real estate sectors. Investments in such MLP interests are subject to the risks generally applicable to companies in these sectors (including commodity pricing risk, supply and demand risk, depletion risk and exploration risk). Depending on the ownership vehicle, MLP interests are subject to varying tax treatment, which should

be discussed with the Intermediary.

Funds that primarily invest in MLPs generally accrue deferred tax liability. The fund's deferred tax liability (if any) is reflected each day in the fund's net asset value. As a result, the fund's total annual operating expenses may be significantly higher than those of funds that do not primarily invest in MLPs. Please see the section "Tax and Legal Considerations" for further information.

#### **RISK RELATED TO MONEY MARKET FUNDS**

Clients may lose money in money market funds. Although money market funds classified as government funds (i.e., money market funds that invest 99.5% of total assets in cash and/or securities backed by the U.S. government) and retail funds (i.e., money market funds open to natural person investors only) seek to preserve value at \$1.00 per share, they cannot guarantee they will do so. The price of other money market funds will fluctuate and when you sell shares they may be worth more or less than originally paid. Money market funds may impose a fee upon sale or temporarily suspend sales if liquidity falls below required minimums. During suspensions, shares would not be available for purchases, withdrawals, check writing or ATM debits.

#### **INCOME RISK**

A portfolio's income may decline when interest rates decrease. During periods of falling interest rates an issuer may be able to repay principal prior to the security's maturity ("prepayment"), causing the portfolio to have to reinvest in securities with a lower yield, resulting in a decline in the portfolio's income.

#### **INTEREST RATE RISK**

Vise's investments on behalf of clients and methods may be subject to interest rate risk in connection with its investments in debt securities. Generally, the value of debt securities will change inversely with changes in interest rates. As interest rates rise, the market value of debt securities tends to decrease. Conversely, as interest rates fall, the market value of debt securities tends to increase. This risk will be greater for long-term securities than for short-term securities. Interest rate risks may include the directional movement in interest rates, correlation of rates, volatilities of interest rates.

#### **INTERNATIONAL INVESTMENTS; INCLUDING EMERGING MARKETS RISK**

Vise may recommend investments in issuers domiciled or operating outside the U.S., including in certain developing or emerging markets. International investing and trading involve special risks not typically associated with trading in investments relating to markets and/or issuers solely in the U.S. Depending on the particular countries and investments involved and on the nature of the particular transactions executed outside of the U.S., these special risks may include changes in exchange rates and exchange control regulations; downgrades in sovereign credit ratings; devaluations or non-convertibility of non-U.S. currencies; failures or disruptions in central banks, banking systems, markets, or financial exchanges; changes in monetary policies, interest rates, or interest-rate policies; political, social, and economic instability; adverse diplomatic developments; investment and repatriation restrictions; the nationalization and/or expropriation of assets; government intervention in the private sector; default by public and private issuers on their financial obligations (and limited recourse in connection with such defaults); the imposition of non-U.S. taxes; discrimination against foreign investors; and less liquid markets, less information, higher transaction costs, less information regarding legal and regulatory risks, less uniform accounting and auditing standards, greater price volatility, less reliable clearance and settlement procedures, and/or less government supervision of exchanges, brokers, market intermediaries, issuers, and other markets and market participants than is generally the case in the U.S.

Further, individual non-U.S. economies may differ favorably or unfavorably from the U.S. economy in various respects, such as pace of economic growth, rate of inflation, amount of capital reinvestment, degree of resource self-sufficiency, and balance of payments position. For example, inflation and rapid fluctuations in inflation rates have had and may continue to have very negative effects on the economies and securities markets (both public and private) of certain countries in which Vise may invest and may therefore have a material adverse effect on Vise's investment methods.

The foregoing risks are likely to be more pronounced in connection with investments in countries with

developing or emerging markets.

#### **LIMITED DIVERSIFICATION; CORRELATION**

Portfolios managed by Vise may be concentrated in particular countries, industries, exchanges, strategies, types of investments, issuers, companies, or other shared characteristics. Any such concentration would magnify risks associated with the investments held in such portfolios, including the risk of significant losses. In general, less diversification will tend to expose the applicable client to greater volatility and/or risk than would be the case with a more broadly diversified portfolio. Even if a particular client's portfolio were diversified, however, there can be no assurance that such diversification would reduce volatility or risk.

Portfolios managed by Vise may achieve returns that are not correlated with various market indices or the returns of other investment vehicles. Further, it is anticipated that certain investments made by Vise will experience returns that individually or in the aggregate are correlated (possibly highly) with various market indices or other strategies, including various equity, debt, or other markets around the world.

Moreover, certain of the strategies deployed by Vise may maintain unhedged exposure, whether intentional or unintentional, to various market movements, style factors, and other sources of risk, whether known or unknown, while other strategies deployed on behalf of a client may have such unhedged exposures from time to time. Such sources of risk may include changes in current or future levels and/or volatility of interest rates, currency prices, commodity prices, sovereign credit spreads, corporate credit spreads, and equity and other markets, as well as correlations between any such risks. There can be no assurance that an investment of a portfolio managed by Vise would improve the risk/return profile of any client's overall portfolio or otherwise improve the performance of such portfolio, and such an investment may in fact result in material losses.

#### **MARKET RISK**

Vise's investments on behalf of clients and methods will be subject to market risk. Market risk is the risk that one or more markets in which the portfolio invests will go down in value, including the possibility that the markets will go down sharply and unpredictably. The value of a security or other asset may decline due to changes in general market conditions, economic trends or events that are not specifically related to the issuer of the security or other asset, or factors that affect a particular issuer or issuers, exchange, country, group of countries, region, market, industry, group of industries, sector or asset class. Local, regional or global events such as war, acts of terrorism, the spread of infectious illness or other public health issue, recessions, or other events could have a significant impact on the portfolio and its investments. Selection risk is the risk that the securities selected will underperform the markets, the relevant indices or the securities selected by other investment managers for other portfolios with similar investment objectives and investment strategies. This means the portfolio may lose money.

#### **REAL ESTATE SECURITIES RISK**

Vise may recommend investments in REITs and other real estate related securities or indices that are subject to risks incidental to the ownership and operation of real estate generally. Some of the risks associated with investments in real estate and/or related derivatives are declines in the value of real estate, risks related to general and local economic conditions, dependency on management skill, heavy cash flow dependency, possible lack of availability of mortgage funds, overbuilding, extended vacancies of properties, increased taxes and operating expenses, changes in zoning laws, losses due to costs resulting from the clean-up of environmental problems, liability to third parties for damages resulting from environmental problems, casualty or condemnation losses, limitations on rents, changes in neighborhood values and the appeal of properties to tenants and changes in interest rates.

#### **TECHNOLOGY AND INFORMATION SECURITY RISK**

Vise is dependent on the effectiveness of the information and cybersecurity policies, procedures and capabilities it maintains to protect the confidentiality, integrity, and availability of its computer and telecommunications systems and the data that resides on or is transmitted through them. An externally caused information security incident, such as a cyber-attack including a phishing scam, malware, or denial-of-service attack, or an internally caused incident, such as failure to control access to sensitive systems, could materially interrupt business operations or cause disclosure or modification of sensitive or confidential

client or competitive information. Moreover, Vise's increased use of mobile and cloud technologies could heighten these and other operational risks, as certain aspects of the security of such technologies may be complex, unpredictable or beyond Vise's control. Vise's growing exposure to the public Internet, as well as any reliance on mobile or cloud technology or any failure by third-party service providers to adequately safeguard their systems and prevent cyber-attacks, could disrupt Vise's operations, and result in misappropriation, corruption or loss of personal, confidential or proprietary information. In addition, there is a risk that encryption and other protective measures may be circumvented, particularly to the extent that new computing technologies increase the speed and computing power available. Moreover, due to the complexity and interconnectedness of Vise's systems, the process of upgrading existing capabilities, developing new functionalities, and expanding coverage into new markets and geographies, including to address client or regulatory requirements, may expose Vise to additional cyber- and information- security risks or system disruptions, for Vise, as well as for intermediaries who rely upon, or have exposure to, Vise's systems. Although Vise has implemented policies and controls, and takes protective measures, to strengthen its computer systems, processes, software, technology assets and networks to prevent and address potential data breaches, inadvertent disclosures, cyber-attacks and cyber-related fraud, there can be no assurance that any of these measures prove effective.

In addition, due to Vise's interconnectivity with third-party vendors, Intermediaries, advisers, central agents, custodians and other financial institutions, Vise may be adversely affected if any of them are subject to a successful cyber-attack or other information security event, including those arising due to the use of mobile technology or a third-party cloud environment. Vise also routinely transmits and receives personal, confidential, or proprietary information by email and other electronic means. Vise collaborates with intermediaries, vendors and other third parties to develop secure transmission capabilities and protect against cyber-attacks. However, Vise cannot ensure that it or such third parties have all appropriate controls in place to protect the confidentiality of such information.

Any information security incident or cyber-attack against Vise or third parties with whom it is connected, or issuers of securities or instruments in which the client portfolios invests, including any interception, mishandling or misuse of personal, confidential or proprietary information, have the ability to cause disruptions and impact business operations, potentially resulting in financial losses, the inability to transact business, violations of applicable privacy and other laws, loss of competitive position, regulatory fines and/or sanctions, breach of client contracts, reputational harm or legal liability. Furthermore, many jurisdictions in which Vise operates have laws and regulations relating to data privacy, cybersecurity, and protection of personal information, including the General Data Protection Regulation, which expands data protection rules for individuals within the European Union and for personal data exported outside the European Union. Any determination of a failure to comply with any such laws or regulations could result in fines and/or sanctions against Vise.

#### **OPERATIONAL RISK AND OPERATING EVENTS**

A portfolio may suffer a loss arising from shortcomings or failures in internal processes, people, or systems, or from external events. Operational risk can arise from many factors ranging from routine processing errors to potentially costly incidents related to, for example, major systems failures.

Trade errors and other operational mistakes ("Operating Events") occasionally occur in connection with Vise's management of client accounts ("Portfolios"). The Vise Trade Error Policy is designed to address the identification and correction of Operating Events, consistent with applicable standards of care and client documentation. An Operating Event generally is compensable by Vise to a client or fund when it is a mistake (whether an action or inaction) in which Vise has, in Vise's reasonable view, deviated materially from the applicable investment guidelines or the applicable standard of care in managing a Portfolio, subject to the considerations set forth below.

Operating Events may include but are not limited to: (i) the placement of orders in excess (or less) of the amount of securities intended to trade for a portfolio; (ii) the purchase (or sale) of a security when it should have been sold (or purchased); (iii) the purchase or sale of a security not intended for the Portfolio; and (iv) the purchase or sale of a security contrary to applicable investment guidelines or restrictions.

Vise makes its determinations regarding Operating Events pursuant to its policies on a case-by-case basis, in its discretion, based on factors it considers reasonable, including regulatory requirements, contractual obligations, and business practices. Not all Operating Events will be considered compensable mistakes. Relevant factors Vise considers when evaluating whether an Operating Event is compensable include, among others, the nature of the service being provided at the time of the event, specific applicable contractual and legal requirements, and standards of care, whether an applicable investment objective or guideline was contravened, the nature of the client's investment program, and the nature of the relevant circumstances.

Operating Events may result in gains or losses or could have no financial impact. Operating Events involving erroneous transactions in Intermediary program accounts generally are corrected in accordance with the procedures established by the particular Intermediary and or custodian and contact their program sponsors, Intermediary, or custodian for information on how Operating Events are corrected in such programs.

When Vise determines that reimbursement by Vise is appropriate, the client will be compensated as determined in good faith by Vise. Vise will determine the amount to be reimbursed, if any, based on what it considers reasonable guidelines regarding these matters in light of all of the facts and circumstances related to the Operating Event. In general, compensation is expected to be limited to direct and actual losses, which may be calculated relative to comparable conforming investments, market factors and benchmarks and with reference to related transactions and/or other factors Vise considers relevant. Compensation generally will not include any amounts or measures that Vise determines are indirect, consequential, speculative, or uncertain.

#### **RELIANCE ON DATA**

Vise's methods are highly reliant on data from third-party and other external sources. Vise will use its discretion to determine what data to gather with respect to any strategy or method, which may have an impact on trading decisions. In addition, due to the automated nature of such data gathering and the fact that much of this data comes from third-party sources, not all desired and/or relevant data will be available to, or processed by, Vise at all times. There is no guarantee that any specific data or type of data will be utilized in generating or making trading decisions on behalf of the clients, nor is there any guarantee that the data utilized in making investment and trading decisions on behalf of clients will be (i) the most accurate data available or (ii) free of errors.

Vise does not possess data for all securities in the investable universe. When initially rebalancing the portfolio of a new client, Vise will recommend selling one or more client securities holding because they are not recognized by the Vise systems. Similarly, when forming a trade recommendation, Vise's systems will ignore potential opportunities and benefits of holding securities that are not recognized by Vise's systems.

#### **RELIANCE ON TECHNOLOGY; BACK-UP MEASURES**

Vise's investment activities and investment strategies are dependent upon various computer and telecommunications technologies, many of which are provided by or are dependent upon third parties such as data feed, data center, telecommunications, or utility providers. The successful deployment, implementation, and/or operation of such activities and strategies, and various other critical activities of Vise on behalf of its clients, could be severely compromised by system or component failure, telecommunications failure, power loss, a software-related "system crash," unauthorized system access or use (such as "hacking"), computer viruses and similar programs, fire or water damage, human errors in using or accessing relevant systems, or various other events or circumstances. Such events or circumstances may affect Vise directly and/or may affect one or more third parties that provide services to Vise and/or its clients.

It is not possible to provide comprehensive and unfailing protection against all such events, and no assurance can be given about the ability of applicable third parties to continue providing their services. Any event that interrupts such computer and/or telecommunications systems or operations could have a material adverse effect on Vise's clients, including by preventing Vise from trading, modifying, liquidating, and/or monitoring its clients' investments. Moreover, any unauthorized access to the information systems

of Vise or certain third parties could result in the loss, disclosure, or improper use of information relating to investments and/or personally identifiable information of Vise's clients; any such loss, disclosure, or use could have a material adverse effect on such clients.

Vise maintains back-up electronic books and records at a third party disaster recovery site, which is a fully operational data center facility. In the case of events that interrupt Vise's computer and/or telecommunications systems or operations, Vise hopes to resume trading, modifying, liquidating, and/or monitoring its clients' investments relatively promptly, subject to any circumstances that are outside the control of Vise.

## **BUSINESS DISRUPTIONS**

In the case of severe business disruptions (e.g., regional power outage or loss of personnel), Vise may not resume such activities for one or more business days because (among other things) such resumption is dependent on other critical business constituents, such as brokers and exchanges, and on the nature of the disruption. Although the foregoing reflects Vise's objectives, designs, and/or plans, no assurance can be given that these objectives, designs, and/or plans will be realized, or that, Vise would be able to resume operations following a business disruption. Although the foregoing reflects Vise's objectives, designs, and/or plans, no assurance can be given that these objectives, designs, and/or plans will be realized, or that, Vise would be able to resume operations following a business disruption, and any such disruption could have a material adverse effect on Vise's clients.

## **REGULATORY CHANGE RISK**

It is possible that changes in applicable laws and regulations may affect Vise's operations. In addition, several substantial regulatory changes are pending or in the process of changing in certain markets. However, the consequences of additional regulation on the liquidity and the functioning of the markets in which Vise trades cannot be predicted and may materially diminish the profitability of client investments.

## **TAX AND LEGAL CONSIDERATIONS**

Vise's methods for achieving tax efficient portfolio management are only one of many methods that may comprise an individual's tax management plan. Clients should obtain tax advice, which advice is outside the scope of the services Vise provides and may be necessary to minimize the impact of tax liabilities a client could incur. The tax-efficient investment strategies that Vise recommends or implements do not comprise a comprehensive tax management plan, are not intended to be tax advice, and Vise does not represent that any tax consequences will be obtained. Clients should consult with their personal tax advisors regarding the tax consequences of investing.

Neither Vise nor any of our affiliates provides tax or legal advice and, therefore, are not responsible for developing, implementing, or evaluating any tax strategies that may be employed by the client. The client should develop any such strategies or address any legal or tax-related issues with a qualified legal or tax adviser.

Investment in MLPs entails different risks, including tax risks, than is the case for other types of investments. Investors in MLPs hold "units" of the MLP (as opposed to a share of corporate stock) and are technically partners in the MLP. Holders of MLP units are also exposed to the risk that they will be required to repay amounts to the MLP that are wrongfully distributed to them. Almost all MLPs have chosen to qualify for partnership tax treatment. Partnerships do not pay U.S. federal income tax at the partnership level. Rather, each partner of a partnership, in computing its U.S. federal income tax liability, must include its allocable share of the partnership's income, gains, losses, deductions, expenses and credits. A change in current tax law, or a change in the business of a given MLP, could result in an MLP being treated as a corporation for U.S. federal income tax purposes, which would result in such MLP being required to pay U.S. federal income tax on its taxable income. The classification of an MLP as a corporation for U.S. federal income tax purposes would have the effect of reducing the amount of cash available for distribution by the MLP and could cause any such distributions received by an investor to be taxed as dividend income.

Tax laws impacting MLPs may change, and this could impact any tax benefits that may be available through

investment in an MLP portfolio.

In the event that Vise does not have the cost-basis information for security holding in a client portfolio, Vise's systems may sell the security, resulting in a material tax gain for the client account. In addition, Intermediaries have the discretion to initiate tax loss harvesting trades that result in significant capital gains or losses to clients.

## **TAX MANAGEMENT RISK**

Intermediaries who activate our tax Management service are alerted to the following risks:

Clients should confer with their personal tax advisor regarding the tax consequences of investing with Vise and engaging in the tax-loss harvesting strategy, based on their particular circumstances. Clients and their personal tax advisors are responsible for how the transactions in the Client's account are reported to the Internal Revenue Service ("IRS") or any other taxing authority. Vise assumes no responsibility to the client for the tax consequences of any transaction, including any capital gains, disallowed losses, and/or wash sales that may result from the tax-loss harvesting strategy.

Vise's tax-loss harvesting strategy is not intended as tax advice, and Vise does not represent in any manner that the tax consequences described will be obtained or that Vise' investment strategy will result in any particular tax consequence. The tax consequences of this strategy and other Vise strategies are complex and may be subject to challenge by the IRS. This strategy was not developed to be used by, and it cannot be used by, any investor to avoid penalties or interest.

When Vise replaces investments with "similar" investments as part of the tax-loss harvesting strategy, it is a reference to investments that are expected, but are not guaranteed, to perform similarly and that might lower a Client's tax bill while maintaining a similar expected risk and return on the Client's portfolio. Expected returns and risk characteristics are no guarantee of actual performance.

An intermediary must notify Vise of specific stocks in which the Client is prohibited from investing. If a Client instructs Vise not to purchase certain stocks, Vise will select an alternate stock to purchase on the Client's behalf or if Vise deems no other stock as appropriate, not invest in an alternate stock. The Intermediary shall notify Vise immediately if they consider any investments recommended or made for the client Account to violate such restrictions.

The performance of the new securities purchased through the tax-loss harvesting service may be better or worse than the performance of the securities that are sold for tax-loss harvesting purposes.

The effectiveness of the tax-loss harvesting strategy to reduce the tax liability of the Client will depend on the Client's entire tax and investment profile, including purchases and dispositions in a Client's (or Client's spouse's) accounts outside of Vise and type of investments (e.g., taxable or nontaxable) or holding period (e.g., short-term or long-term). Intermediaries who customize our recommended portfolios may also influence the effectiveness of the tax-loss harvesting strategy for their clients. For example, intermediaries who allocate significant portions of their portfolio to ETFs that are not currently supported for tax-loss harvesting may decrease the effectiveness of this service by reducing the number and/or amount of ETFs from which to harvest losses. The utilization of losses harvested through the strategy will depend upon the recognition of capital gains in the same or a future tax period, and in addition may be subject to limitations under applicable tax laws, e.g., if there are insufficient realized gains in the tax period, the use of harvested losses may be limited to a \$3,000 deduction against ordinary income and distributions. Losses harvested through the strategy that are not utilized in the tax period when recognized (e.g., because of insufficient capital gains and/or significant capital loss carryforwards), generally may be carried forward to offset future capital gains, if any.



Be aware that if the Client and/or the Client's spouse have other taxable or non-taxable investment accounts, and the Client holds in those accounts any of the securities (including options contracts) held in the Client's account at Vise, the Intermediary cannot trade any of those securities 30 days before or after Vise trades those same securities as part of the tax-loss harvesting strategy to avoid possible wash sales and, as a result, a nullification of any tax benefits of the strategy. For more information on the wash sale rule, please read IRS Publication 550.

Vise's tax-loss harvesting service is designed to avoid creating "wash sales" in Clients' accounts with Vise. Clients and intermediaries, however, are responsible for monitoring their accounts outside of Vise to ensure that transactions in the same security or a substantially similar security do not create a wash sale. A wash sale occurs when a taxpayer sells a security at a loss and then purchases the same security or a substantially similar security over a period of 61 days: the day of the sale, the 30 days before the sale, and the 30 days after the sale. If a wash sale occurs, the IRS may disallow or defer the loss for current tax reporting purposes. Wash sales can occur even if the securities are sold and then bought in different accounts. Therefore, Vise may lack visibility to certain wash sales, should they occur as a result of transactions in external or unlinked accounts. Under those circumstances, Vise may not be able to provide notice of such wash sale in advance of the Client's receipt of the IRS Form 1099.

Except as set forth below, Vise will monitor only a Client's accounts at Vise to determine if there are unrealized losses for purposes of determining whether to harvest such losses. Transactions outside of accounts at Vise may affect whether a loss is successfully harvested and, if so, whether that loss is usable by the Client in the most efficient manner.

Under certain limited circumstances, there is a chance that Vise trading attributed to tax-loss harvesting may create capital gains and/or wash sales. In addition, tax-loss harvesting strategies may produce losses which may not be offset by sufficient gains in the account.

Not all the losses may be used to offset gains in the year they were recognized due to wash sales. Thus, wash sales can diminish the effectiveness of tax-loss harvesting by deferring to a future year a tax loss that could have been used to offset income or capital gains in the current year.

#### **VOLATILITY RISK; VOLATILITY OF INVESTMENT RETURNS**

The performance of investment strategies Vise deploys on behalf of its clients may be volatile (both in absolute terms and relative to realized returns), potentially resulting in increased risks, including the risk of losses. Such strategies may have volatility, a greater chance of losses or negative returns, lower average returns, correlation with certain macroeconomic risk factors, asset class concentrations, and/or other significant risks, whether in absolute terms, relative to expected returns, or relative to certain other strategies that are deployed by Vise on behalf of other clients.

### **Item 9 Disciplinary Information**

There are no adverse disciplinary events affecting Vise that would be deemed material to a client's decision to use Vise's investment advisory services.

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

In some cases, Vise may have business arrangements with related persons/companies that are material to Vise's advisory business or to their clients. In some cases, these business arrangements create a potential conflict of interest, or the appearance of a conflict of interest between Vise and a client. The services that Vise provides Intermediaries and clients, as well as related conflicts of interest, are discussed in Item 11 ("Code of Ethics, Participation or Interest in Client Transactions and Personal Trading") of this Brochure. Potential conflicts of interest are also discussed in the Governing Document.

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

Vise has adopted a code of ethics (the “Code”) that establishes the standard of business conduct that must be followed by, among others, all partners, dependent directors, officers, and employees of Vise (collectively, “Supervised Persons”). The Code incorporates the following general principles, which all Supervised Persons are expected to uphold: act in the best interests of clients; conduct activities and personal securities transactions in a manner consistent with the Code, which seeks to address certain conflicts of interest in this regard; avoid taking any inappropriate advantage of one’s position at Vise; maintain confidentiality of information concerning Vise’s securities recommendations and client securities holdings and transactions; and provide accurate disclosure in reports required by auditors, regulators, or government bodies.

Vise believes that these general principles not only help Vise fulfill its obligations undertaken as an investment adviser, but also protect Vise’s reputation and instill in employees Vise’s commitment to honesty, integrity, and professionalism.

The Code also provides guidelines for Supervised Persons regarding adherence to securities laws generally, transactions in personal accounts involving public and private securities and commodities, activities outside of the investment adviser’s business, giving and receiving business-related gifts, and the maintenance and memorialization of certain family and/or close personal relationships. For example, the Code generally requires that all Access Persons report securities holdings. In addition, the Code encourages all Supervised Persons to report Code violations and outlines potential sanctions for such violations. Vise’s Chief Compliance Officer is responsible for the Code’s administration, including without limitation the monitoring and review of personal securities of Access Persons, and is available for any questions Access Persons have regarding the Code. Vise will provide a copy of the Code to any client or prospective client upon request and may elect to provide a copy of the Code to clients.

Please see Item 10 for additional information regarding certain conflicts of interest arising from circumstances in which Vise recommends to clients, or buys or sells for client accounts, securities in which Vise or its related persons is invested (or is buying or selling) or otherwise has a financial interest.

## **Item 12 Brokerage Practices**

### **GENERAL**

Vise requires that all trade orders for securities transactions on behalf of clients are currently placed with Charles Schwab & Co., Inc., TD Ameritrade, Inc. and/or Fidelity Institutional (the “Approved Brokers”). Vise may add additional brokers to the Approved Brokers list. Vise seeks to help its clients receive the best overall execution for securities transactions from the Approved Brokers by continuing to monitor and review the best execution capability of the Approved Brokers. When assessing the best execution capability of the Approved Brokers, Vise will consider the following factors: price differences between accounts, price improvement versus the closing price and overall execution quality among other factors. To the extent that an Approved Broker’s best execution capability does not appear to meet the quality of best execution on a consistent basis, Vise would look to remove and replace such Approved Broker. In determining the reasonableness of compensation of the Approved Brokers, Vise considers the trading commissions (e.g., whether they are free or flat-rate), as well as general operational support provided.

The Service is available through an Intermediary and Vise is acting as a subadviser. Vise makes recommendations to the Intermediary. Upon the approval of such recommendations, Vise places all trade orders for securities transactions on behalf of its clients with a broker-dealer mandated by the applicable Intermediary (each, an “Intermediary Broker”).

The Intermediary evaluates, in its reasonable judgement, which Intermediary Broker(s) are qualified to meet the brokerage and custodial needs of the Intermediary’s clients. Vise generally does not monitor or evaluate

the nature and quality of the services clients obtain from Intermediary Brokers and it is possible that Intermediary Brokers provide less advantageous execution of transactions than if Vise selected another broker-dealer to execute the transactions.

#### **COMMISSIONS**

Vise does not charge a premium or commission on transactions.

#### **USE OF COMMISSIONS – SOFT DOLLARS, RESEARCH**

Vise does use client commissions to acquire research or brokerage services other than order execution.

#### **BROKERAGE FOR INTERMEDIARY REFERRALS**

Vise does not consider the possibility of receiving intermediary referrals from a particular broker-dealer when selecting or recommending that intermediaries use the broker-dealer.

#### **DIRECTED BROKERAGE**

Vise does not permit clients to direct brokerage.

#### **ORDER EXECUTION RISK**

Vise is authorized by each client to execute transactions on such clients' behalf. Vise executes securities transactions as soon as reasonably practicable after generating each trade recommendation. However, for numerous reasons there could be material delays in the amount of time it takes Vise, or the relevant executing broker, to execute each transaction. Any delays in Vise's executing transactions could reduce, perhaps materially, any profit earned by such clients or could cause a material loss.

Vise may execute transactions by placing a variety of order types such as market orders, limit orders, or algorithmic orders. This could result in Vise's clients paying a higher purchase price or receiving a lower sale price when Vise places orders on the client's behalf compared to using other order execution methods. It could also result in higher execution fees charged by the brokers handling these transactions.

#### **TIMING OF ORDER SUBMISSION AND EXECUTION OF TRADES**

Timing of order execution will be done on a best efforts basis. Vise does not guarantee that proposals will be executed on the same trading day, regardless of if they are algorithm or advisor generated.

#### **ORDER EXECUTION PRACTICES**

Vise systematically reviews trade orders for a variety of liquidity indicators when interacting with our executing brokers. Based on the internal trading metrics Vise has produced and maintains, Vise will utilize a variety of order types and execution methods to potentially improve the outcome for the client. These order execution methods include but are not limited to: market orders, limit orders, or algorithmic orders. Vise maintains the discretion to decide which order execution strategy to utilize for each individual order.

#### **ORDER AGGREGATION AND BLOCK TRADING PRACTICES**

Vise will review proposed trades at varying times throughout the day. When possible, Vise will aggregate orders containing the same security with the same trade direction. While utilizing an average price account, Vise will block its orders to ensure that no client is favored, and each account will receive the same average share price. The timing of approved orders and advisor generated trades may result in identical trades receiving different prices across different accounts on the same day.

Vise will determine if incurring tradeaway fees or step out fees is better overall to the client when transacting in equity or fixed income securities. These fees may be incurred through broker-dealers other than the account custodian. The client may incur both commission or transaction fees charged by the executing broker-dealer and a processing fee charged by the account custodian.

## **CHANGES IN TRADING POLICIES AND PROCEDURES**

Vise will conduct a regular review of the outlined Brokerage Practices. Vise reserves the right to change these policies at its discretion.

## **Item 13 Review of Accounts**

Vise regularly reviews the accounts of its advisory clients. Triggering factors may include, but are not limited to, overall market movement, security-specific events and corporate events, a significant change to one or more of the securities owned by a particular client, changes to the client's risk/return objectives, net taxes incurred, or historical turnover.

Vise conducts account reviews through its automated computer algorithms and by Vise's investment advisory personnel responsible for portfolio validation and monitoring of client accounts. For each of Vise's investment strategies, supervisors are responsible for periodically reviewing trading data and other automated events and reports and overseeing the trading activity performed on behalf of Vise's clients within Vise's investment strategies. Such reviews include without limitation a verification that actual trading activity is consistent with the intended strategy, an analysis of risks associated with a particular strategy, and a determination that trading is undertaken in compliance with applicable regulations.

In addition, as Vise acts as a subadviser, an Intermediary may conduct account reviews which are independent and/or in addition to the reviews of Vise.

## **REPORTING**

Vise provides clients through their intermediaries with reports through its website on a periodic basis, which reports generally include, among other things, the net asset value or the capital balance of such client's account and a measure of performance based on the change in valuation of such client's account. Vise monitors performance data for accuracy but in some circumstances the information could be incorrect, such as errors resulting from the inaccuracy of underlying custodian data.

## **TAX REPORTING**

Vise will report and provide information on its website and/or in the form of reports on items related to the end client's capital gains status and this information provided should not be utilized for capital gains reporting purposes. The figures presented are for illustrative purposes only. Clients are strongly encouraged to coordinate with a qualified tax professional for all tax related matters.

Vise does not provide tax advice and Intermediaries are encouraged to work with a qualified tax professional with their clients. Provided content is for overview and informational purposes only and should it be relied upon as individual tax advice. Clients are strongly advised to consult with qualified tax professionals regarding all tax related matters.

## **Item 14 Intermediary Referrals and Other Compensation**

### **USE OF ADVERTISING NETWORKS**

Vise may conduct campaigns through advertising networks (e.g., Google AdWords/AdSense, Microsoft AdCenter) and compensate such advertising networks accordingly. In addition, at certain times Vise may offer a credit or nominal gift to existing intermediaries that refer new intermediaries to use Vise's services. While the amount of the credit or gift is nominal, such credits or gifts may cause a conflict of interest if existing intermediaries make this referral solely to receive the credit or gift.

## **TECHNOLOGY SERVICES**

Vise may provide technology and/or consulting services to third party financial entities, including entities that may be registered as investment advisers under the Adviser Act and / or registered as broker-dealers under Section 15 of the Exchange Act. As a technology services provider, Vise will have no portfolio management, investment advisory, or fiduciary responsibilities with respect to any clients who may use the technology through an Intermediary. When providing technology and/or consulting services to third party financial entities, Vise will not manage, monitor, or oversee any trading decisions of any client, any client's compliance with the client's investment objectives; or any other aspects of the portfolio management activity of client accounts or portfolios. Vise will not enter into a discretionary investment management agreement with a client solely in connection with the provision of technology services to an Intermediary.

## **Item 15 Custody**

Vise generally does not have custody of client assets. Assets are held in the name of client and are held in the custody of dealer-brokers, which are qualified custodians as defined under Advisers Act Rule 206(4)-2.

However, based on SEC guidance, Vise may be deemed to have custody of its advisory clients' assets because certain clients may authorize Vise to receive its Management Fee out of the assets in such clients' accounts by sending invoices to the respective custodians of those accounts. As such, Vise may be deemed by the SEC to have custody of the assets in those accounts.

Such clients generally will receive account statements directly from their third-party custodians for the accounts and should carefully review these statements. Such clients should contact their Intermediary immediately if they do not receive account statements from their custodian on at least a quarterly basis. As noted in Item 13 ("Review of Accounts") of this Brochure, Vise may provide clients with separate reports or account statements providing information about the account. Clients should compare these carefully to the account statements received from the custodian. If clients discover any discrepancy between the account statement provided by Vise and the account statement provided by the custodian, then they should contact their Intermediary.

## **Item 16 Investment Discretion**

Vise receives discretionary investment authority from its clients at the outset of an advisory relationship in connection with the Service. Vise requires a limited power of attorney (or other grant of authority required by a Service client's intermediary) to act on a discretionary basis for its Service clients, allowing Vise to trade on behalf of these clients. Vise is also granted investment discretion by the appointment of clients or Intermediaries through the Governing Document. Clients complete the applicable documentation required by the client's broker-dealer as part of the Service enrollment process. The Investment discretion granted to Vise ensures the timing, quantity, security selection, and decision to buy and/or sell is fully within Vise's authority.

## **Item 17 Voting client Securities**

Vise does not have the authority to vote client securities, nor does it provide advice about proxy solicitations. Clients or intermediaries must vote proxies on securities held in their account directly based on information they receive from their custodians and/or Intermediaries.

## **Item 18 Financial Information**

Vise does not require or solicit payment of more than \$1,200 in fees per client, six months, or more in advance, and, thus, has not included a balance sheet of its most recent fiscal year. Vise is not subject to any financial commitment that impairs its ability to meet contractual and fiduciary commitments to clients,

nor have we been the subject of a bankruptcy petition.

# WISE

## Vise AI Advisors, LLC

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[www.vise.com](http://www.vise.com)

<https://www.facebook.com/viseai/>

<https://twitter.com/viseinc/>

<https://www.linkedin.com/company/viseinc>

March 24, 2021

### FORM ADV PART 2B: THE BROCHURE SUPPLEMENT

This brochure supplement provides information about the qualifications and business practices of Vise AI Advisors, LLC (“Vise”), an investment adviser registered with the United States Securities and Exchange Commission (the “SEC”) under the Investment Advisers Act of 1940, as amended (the “Advisers Act”). Such registration does not imply a certain level of skill or training. If you have any questions about the contents of this brochure, please contact us at the telephone number provided above or by email at [legal@vise.com](mailto:legal@vise.com). The information in this brochure has not been approved or verified by the SEC or by any state securities authority.

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

This brochure is for informational purposes only. It does not convey an offer of any type and is not intended to be, and should not be construed as, an offer to sell, or the solicitation of an offer to buy, any interest in any entity, investment, or investment vehicle.

## David Twardowski

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New York, NY 1000  
Phone +1 (646) 374-0888

This brochure supplement provides information about David Twardowski that supplements the Vise Form ADV Brochure. You should have received a copy of the Vise Form ADV Brochure. Please contact Vise at the phone number above or by email at [legal@vise.com](mailto:legal@vise.com) if you did not receive that Brochure or if you have any questions about the contents of this Brochure Supplement.

### **Educational Background**

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Dartmouth College, PhD, Engineering Research, 2011  
University of Michigan, MS, Mechanical Engineering, 2005  
University of Rhode Island, BS, Mechanical Engineering, 2004

### **Business Experience (preceding five years)**

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Vise Technologies, Inc., Vice President, Head of Investment Strategy, Jan. 2021 – Present  
Avantis Investors, Vice President, Investment Strategies, Sept. 2019 – Dec. 2020  
Dimensional Fund Advisors, Vice President – Strategy Research, Feb. 2015 – Sept. 2019  
Dimensional Fund Advisors, Research Associate, Jun. 2011 – Feb. 2015

### **Disciplinary Information**

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Not Applicable

### **Other Business Activities**

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Not Applicable

### **Additional Compensation**

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Not Applicable

### **Supervision**

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Vise's investment decisions are based on an automated analysis of client portfolios and accounts. This analysis relies on proprietary models to generate views on portfolio allocation, rebalancing, and tax loss harvesting.

Vise's portfolio management team supervises the day-to-day execution of these models and regularly researches ways to enhance the efficiency of these models. Moreover, Vise's compliance function monitors Vise's investment activities through electronically generated reports designed to audit trading activity and account management.

David Twardowski's advisory activities on behalf of Vise are supervised by Runik Mehrotra, Vise's Chief Investment Officer. Runik Mehrotra, can be reached at 1 (646) 374-0888.