



***Premium Income. Equity Appreciation. Outstanding Returns.***

**Wrap Fee Program Brochure  
(Part 2A Appendix 1 of Form ADV)**

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This Wrap Fee Program Brochure (this “Brochure”) provides information about the qualifications and business practices of XoomFi. If you have any questions about this Brochure’s contents, please contact us at the above phone number and / or e-mail. The information in this Brochure has not been approved or verified by the United States Securities and Exchange Commission (the “SEC”) or by any state securities authority.

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.

Additional information about XoomFi is also available on the SEC’s website at [www.AdvInfo.SEC.gov](http://www.AdvInfo.SEC.gov).

**May 7, 2021**



## Item 2 : Material Changes

This is the first / initial filing of our XoomFi wrap fee program brochure. Hence, there are no material changes to report.

## Item 3 : Table of Contents

<b>Item 4 : Services, Fees &amp; Compensation</b>	<b>4</b>
General Information	4
Program Description	4
<i>XoomFi : New genre of investment products</i>	4
Fees and Compensation	5
<b>Item 5. Types of Clients</b>	<b>7</b>
<i>Minimum Account Size</i>	7
<i>The Program and Associated Parties</i>	7
<i>Fiduciary Relationship; Impact on Other Client Agreements</i>	7
<b>Item 6. Portfolio Manager Selection and Evaluation</b>	<b>9</b>
<i>XoomFi : New genre of investment products</i>	9
<i>Fixed Income Market:</i>	9
<i>Equity Market</i>	9
<i>XoomFi : Premium Income + Equity Appreciation</i>	11
<i>XoomFi : How it works</i>	12
<i>XoomFi On-boarding process</i>	13
<i>Custodial Accounts</i>	13
<i>Capital Allocation</i>	13
<i>Trade management &amp; adjustments</i>	14
<i>Equity Premium Income Distribution</i>	14
<i>Portfolio Rebalancing</i>	14
<i>Fund management</i>	14
<i>Building and growing the Equity Base</i>	15
<i>XoomFi Dashboard</i>	15
<i>Risks</i>	16
<i>Investment Strategies and Risk of Loss</i>	16
<b>Investment Strategies &amp; Portfolios</b>	<b>17</b>
<i>XoomFi : New genre of investment instrument</i>	17
<i>XoomFi Investment Strategies and Portfolios :</i>	17
<i>XoomFi Balanced Income &amp; Growth</i>	19



<i>XoomFi Enhanced Income &amp; Growth</i>	20
<i>XoomFi Ultra Income &amp; Growth</i>	21
<i>XoomFi Investment Portfolio Summary</i>	22
<b>General Program Limitations :</b>	<b>22</b>
<b>Risk of Loss</b>	<b>23</b>
<b>Item 7. Client Information Provided to Portfolio Manager</b>	<b>32</b>
<b>Item 8. Client Contact with Portfolio Managers</b>	<b>32</b>
<b>Item 9. Additional Information</b>	<b>32</b>
<b>Account Reporting</b>	<b>37</b>
<b>Financial Information</b>	<b>37</b>
<b>Privacy and Information Security</b>	<b>37</b>
<b>Disaster Recovery and Business Continuity</b>	<b>38</b>
<b>Future Changes</b>	<b>38</b>



## **Item 4 : Services, Fees & Compensation**

### **General Information**

**XoomFi** (hereinafter "Xoom") offers the XoomFi Wrap Fee Program (hereinafter "XoomFi") to individual investors and institutional investors. We, Accelar, Inc. d/b/a XoomFi and XoomFi Advisors, are an S-Corporation organized under California law. Our principal office is at 111 N. Market Street, Suite 300, San Jose, Ca 95133. For questions, please contact XoomFi at (650) 249-7420 or ClientCare@XoomFi.com for individual investors and iir@XoomFi.com for institutional investors.

### **Program Description**

XoomFi is one of several wholly owned subsidiaries of Accelar offering diversified set of online, digital, web / internet and smart / mobile phone based direct-to-consumer services - financial services, tour & travel, transportation services - and direct-to-business services - business, operations, marketing, accounting and payroll services.

Our corporation has been in business since November 2006. Our core strength lies in leveraging Internet / Web / Smart / Mobile Phone and social networking technologies to:

- a) bring new, innovative services which deliver greater value and greater efficiencies to consumers and businesses compared to the status quo / off-line / analog offerings, and
- b) enable new services leveraging the state-of-the-art in technologies - service which were previously not even feasible.

We currently deliver a variety of Internet and Smart / Mobile phone enabled services to more than 15,000 consumers and more than 1,800 business clients across the United States.

### **XoomFi : New genre of investment products**

XoomFi is an investment and trading product we are offering to individual investors as well as to institutional investors. It is a new genre of investment products - **Equity Premium Income** - which, as the name suggests, is an equity investment product which generates premium income.

XoomFi is an automated advisor, colloquially referred to as "Internet Advisor" or "robo-advisor" service, one of the fast-growing trends in the investment advisory industry. We offer discretionary investment service through online algorithmic-based programs. Our clients wishing to utilize our services enter personal information and create an investment profile into an interactive, digital platform - our website [www.XoomFi.com](http://www.XoomFi.com). Based on the information, we generate a portfolio of investments for you and subsequently manage your account.

XoomFi has been under development and testing for years and is culmination of years of experience of investments in equity and fixed income markets. XoomFi combines investments in multiple baskets of equities along with covered call options for each security to leverage the equity investments to:

- a) generate a consistent level of monthly equity premium income from covered calls while
- b) providing equity appreciation upside potential, and
- c) downside protection in those equity investments.

While past performance is not a guarantee of predictable outcome and results, XoomFi trading system has performed well under a variety of market conditions since we began live trading in 2020. XoomFi trading system is based on four fundamental and foundational principles and key success factors :



- a) **Proprietary research and screening algorithm** to find securities which meet specific criteria well suited for equity premium income investment strategy;
- b) **Adjustments in equity positions** in response to market conditions, and directional & price changes in the underlying equity positions;
- c) **Periodic rebalancing of the portfolio** using automatic, algorithmic triggers to add or remove equities from investment portfolios; and
- d) **Building and growing the equity base** by adding certain securities / equities to the long term equities portfolio

During the development and testing phases and live trading since 2020, XoomFi has generated:

- 1) predictable monthly equity premium income,
- 2) equity investment gains resulting in not just maintaining but growing the equity base, and
- 3) return on investment - equity premium income + equity appreciation / gains - higher than each of the major indexes - S&P 500, Nasdaq 100, Dow Jones 30 and Russell 2000

XoomFi Equity Premium Income investment product is now being made available to individual as well as institutional investors.

### **Fees and Compensation**

For the services provided in connection with the Program, we charge you a quarterly fee ("Wrap Fee") at a quarterly rate of 0.5% (the "Wrap Fee Rate") of your Account assets including cash, dividends and accrued interest (the "Wrap Fee Base"). The Wrap Fee Rate is the same regardless of the underlying asset allocation model recommended by the Program. The Wrap Fee is called a "wrap" fee in that it represents payment for the following advisory, custodial, trade execution and related services that we and our third party custodians and service providers deliver to you as part of the Program:

- account and asset allocation model suitability determination
- investment strategies and asset allocation models that we provide
- market statistics, financial and other performance data
- alerts, evaluations and other Program content
- brokerage execution, trading and reconciliation services
- custody, clearing and settlement charges
- custodial statements with Account activity
- proxy voting
- administration, recordkeeping and performance reporting
- account monitoring and periodic reviews
- tax reporting
- other Program technology

We offer the Program on a "wrap" fee basis to simplify your ability to invest in XoomFi investment products to meet your financial goals and objectives.

### ***Fee Sharing Arrangements***

We pay our technology affiliates a portion of our Fee for their software and technology services, based on certain Platform metrics. We also pay the custodian related to your Account from the Wrap Fee for its custody, execution and other services, according to its standard schedule of fees for similar services. We may also share a portion of the Fee with other parties involved in providing services to you in connection with the Program pursuant to agreements we have with those parties, as permitted by law. In particular, we may rely on input and guidance from our affiliates with respect to the Program's investment strategies and allocation models. If we do so, we may pay those affiliates a fee for those services, but that fee will not impact your overall Fee.



### *Wrap Fee Considerations*

You should carefully evaluate the following important considerations regarding our "Wrap" Fee before opening your Account and beginning to invest through the Program.

The Wrap Fee may be more or less than the cost of the services included in the Program if they were provided separately or from another source depending on factors such as the amount of the Fee, the amount of activity in your Account and the value of advisory, custodial, brokerage and other services that are provided under the arrangement. To determine the reasonableness of the Fee, you should consider the costs of the development and ongoing management of an investment strategy and underlying asset allocation, the gathering and monitoring of information to make ongoing investment decisions, the costs of implementing those decisions, transaction costs, fees and taxes, commissions or markups/markdowns on transactions, reports and tax statements.

The Wrap Fee may be higher or lower than the ongoing or up-front fees or charges you pay on your existing investment advisory or brokerage accounts. In particular, it may be higher than those fees you paid or currently pay for other brokerage products and services.

Technology-enabled investment allocation services and models similar to those used in the Program may be available from other providers for a lower fee than our Wrap Fee.

Custodial fees are included in the Wrap Fee *except* for items such as the following, which are charged separately and in addition to that fee: electronic fund and wire transfer fees, trade-away charges, and other fees required by applicable law, regulations or rules. Other parties unaffiliated with XoomFi may receive a portion of these fees.

### *Calculation and Billing*

The Wrap Fee is paid for each quarter your Account is open in arrears. We bill and collect the Wrap Fee quarterly on or about the first calendar day of January, April, July and October (each, a "Payment Date"). We calculate the Wrap Fee by multiplying (i) the average daily Wrap Fee Base during the quarter preceding the Payment Date by (ii) the Wrap Fee Rate (*i.e.*, 0.5%). The Wrap Fee for the initial quarter your Account is open will be pro-rated based on the day on which active management begins (*i.e.*, the first trade date) (the "Fee Start Date").

In accordance with SEC custody rules, we will submit an invoice to your Account's custodian with the amount of the Wrap Fee to be debited from the account on each Payment Date. Account statements provided by the custodian will reflect the payment of the Wrap Fees. This is the only method of billing the Program supports and you may not select another method. We may direct the custodian to place trades in your Account to make cash available to pay the Wrap Fees without notifying you. The obligation to pay Wrap Fees may limit your ability to sell or otherwise liquidate securities in, or to withdraw or transfer assets from, your Account.

We or our designee will value your Account's assets for purposes of calculating the Wrap Fees, following procedures set forth in the Agreement.

### *Fees Upon Termination; Other Effects*

You may terminate your Account and stop investing in the Program at any time. If you do so prior to the end of a quarter, we will calculate the Wrap Fee due for that quarter on the date we close your account (the "Fee End Date"). The Fee End Date will be deemed the final Payment Date and pro-rated Wrap Fee for the quarter will be due and payable immediately.

Upon termination, the Agreement you have signed with XoomFi shall also terminate. Upon termination, we will liquidate your Account's holdings; collect the Wrap Fee due for the current quarter; distribute the remaining funds to you; and then close the Custodian Account. We will, at such point, have no continuing obligation to advise or act with regard to your Account assets.

The Program does not use a performance-based fee structure.



## **Item 5. Types of Clients**

### **Account Requirements**

#### *Eligible Clients*

The Program is offered to individuals for their investment and retirement accounts and to institutional investors, including registered investment advisors, and fund managers. Individual clients must be permanent legal residents of the United States, at least 18 years old and not on any governmental sanctions list of prohibited individuals. No preexisting customer relationship with us or our affiliates is required. The Program allows you to open an Account jointly with your spouse or spousal equivalent, although certain features and functionality will differ for the second Program client, as specified in the Agreement. All client accounts are opened electronically through the Portal and you are therefore responsible for ensuring that you maintain access to the e-mail address used for communication related to the Program and the Portal for purposes of downloading, reading and/or executing Program documents, disclosures and agreements.

Individual investors interested in investing in the XoomFi program may contact us by e-mail : [ClientCare@XoomFi.com](mailto:ClientCare@XoomFi.com) or call us at 650.249.7420.

Institutional investors interested in investing in the XoomFi program may contact us by e-mail : [iir@XoomFi.com](mailto:iir@XoomFi.com) or call us at 650.249.7420.

### **Minimum Account Size**

The Program requires that you, an individual investor, as a condition of opening your Account, transfer a minimum of \$25,000, the Program Minimum into that account. The Program Minimum for an institutional investor is \$100,000. After the initial funding of the account, the total value of assets in your Account will change over time. We will review each account quarterly and if at the time of the quarterly review the value of assets in your Account is less than Program Minimum, we may terminate your Account and the Agreement.

#### *Suitability*

Before proceeding to open an Account, you must make an individual determination that the Program is suitable for your financial situation in light of its inherent limitations and the fact that it is a technology-enabled and algorithm-driven service. See “General Program Limitations” under “Investment Strategies & Risks.”

#### *Types of Clients*

The XoomFi program is being made available to individual clients and to institutional investors. All client accounts are opened and maintained according to an investment agreement between the client and XoomFi (the “Agreement”).

### **The Program and Associated Parties**

The Program is a technology-enhanced service offered and managed by XoomFi. The Program is intended to help you achieve your investment goals and objectives. It provides you with investment decisions and portfolio management tailored to your individual financial needs based on your risk profile. We accept clients in the Program upon completion by the client of the account opening authorization through the Portal. The Program is offered on a “wrap” fee basis, whereby a single advisory fee is charged that includes investment advisory, custodial and trade execution services, including commissions, with no separate and additional fees assessed by a Program service provider. We may share a portion of our advisory fee with other parties involved in providing the Program, including our technology service providers.

### **Fiduciary Relationship; Impact on Other Client Agreements**



The Investment services we offer under the XoomFi Program create a fiduciary relationship with you. This means that we must place your interests above our own, and carefully manage any perceived or actual conflict of interest that may arise in relation to our investment services. This Brochure explains your rights and obligations in providing you with the Program. If you open an individual account, we strongly encourage you to print this Brochure and keep it for your records.

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## **Item 6. Portfolio Manager Selection and Evaluation**

### **XoomFi : New genre of investment products**

XoomFi is an investment and trading product we are offering to individual investors as well as to institutional investors. It is a new genre of investment products - **Equity Premium Income** - which, as the name suggests, is an equity investment product which generates premium income, combining the benefits of Fixed Income investment product with Equity investment product.

### **Fixed Income Market:**

Fixed Income / Bonds / Credit market represents one of the largest asset classes for investments with an estimated \$40T (Trillion) invested in this asset class in the US.

There are various types of Fixed income investment instruments :

- Certificates of Deposits (CD's)
- Treasury Bills : 4 weeks to 1 year maturity term
- Treasury Notes : 2 to 10 years maturity term with bi-annual interest payments
- Treasury Bonds : 30 years maturity term with bi-annual interest payments
- Municipal Bonds
- Mortgage backed securities
- Corporate bonds
- High-Yield bonds

The investment instruments listed above are in an ascending order of risk and ascending order of yields or returns. Of the ~\$40T invested in the Fixed Income markets, \$14.4T are in US Treasuries (which include T-bills, T-Notes, and T-Bonds), \$9.2T in mortgage related bonds, \$8.8T in corporate bonds, and \$3.8T in municipal bonds.

Since the 2008 financial crisis, the Federal Reserve Bank has kept the prime or Federal Funds Rates low and consequently the yields on fixed income investments have dropped sharply with the yield on 10-year US Treasury Bonds reaching 50-year low of 0.46% in June 2020 from a high of 14% in 1984, ~6% in 2000 and ~3.3% in 2010. The 10-year US Treasury Bond rate has risen rapidly over the past couple of months and is currently at 1.64%, but is still significantly below historic levels. The rates in Europe are, in fact, even lower and yields on some of the fixed income investments in Euro bonds have been negative. Yields on an estimated \$17T invested in fixed income investments around the world were negative and yields on an estimated \$45T were below 1% in 2020.

Investors seeking higher yields have been investing in mortgage backed securities, corporate bonds, and high-yield bonds - which represent higher risks compared to CD's, Treasury bills / notes / bonds and Municipal bonds - offering higher yields typically in the 2% to 5% range, with the higher end of the range represented by high-yield, non-investment grade bonds.

Since lowering the Federal Funds rate to 0%-0.25% at the onset of the pandemic in March 2020, the Federal Reserve Bank (FRB) has repeatedly and consistently stated its intent to not raise the rates until 2023, which, in turn, suggests that the yields on fixed interest investments will remain range-bound and in the current 2% to 5% range.

### **Equity Market**



The equity markets have historically delivered higher returns - compared to the Fixed Income markets - with **9.2%** being the average stock market return for the 2010 to 2020 time period. The average annual returns for the major indexes for the same period were :

- **Nasdaq-100 :** 14.39%
- **S&P 500 :** 13.60%
- **Dow Jones 30 :** 10.68%

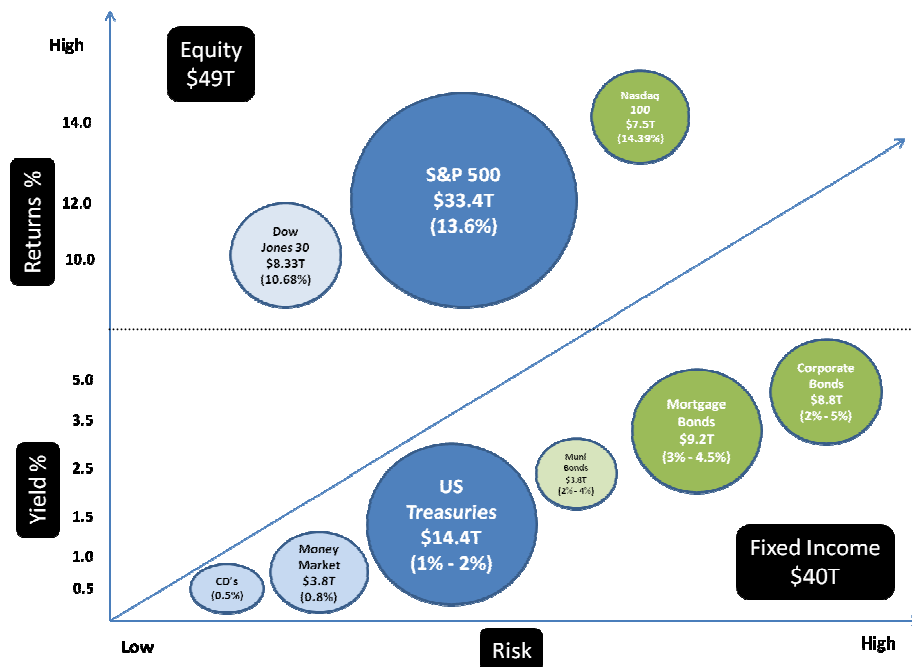
The Equity markets in the US have seen a significant expansion of valuation multiples over the past 10+ years. Price-to-earnings (P/E) ratio for equities has increased at the fastest rate compared to any other 10-year period in the entire history of US equity markets.

Index	2010	2020	% change
S&P 500	20.7	38.63	86.62%
Nasdaq-100	13.5	23.67	75.33%
Dow Jones 30	13.9	20.1	44.60%

With the rapid increase in P/E ratios, the equity markets have become riskier, more volatile and more susceptible to downside risks. Managing risks associated with their equity investments is one of the most significant challenges for individual and institutional investors.

The chart below shows for the year 2020:

- the size of major Fixed Income investment instruments which make up the bulk of the \$40T Fixed Income market in the US and Yields (%) (in parentheses) range; and
- the market cap of the major indexes - Dow Jones, S&P 500 and Nasdaq-100 - which make up the bulk of the \$49T Equity market and associated Returns (%) (in parentheses).





## XoomFi : Premium Income + Equity Appreciation

XoomFi is an investment product created for the current set of market conditions : a) low yields on fixed income investment products, and b) greater risks associated with higher valuation multiples for equities. It is designed to:

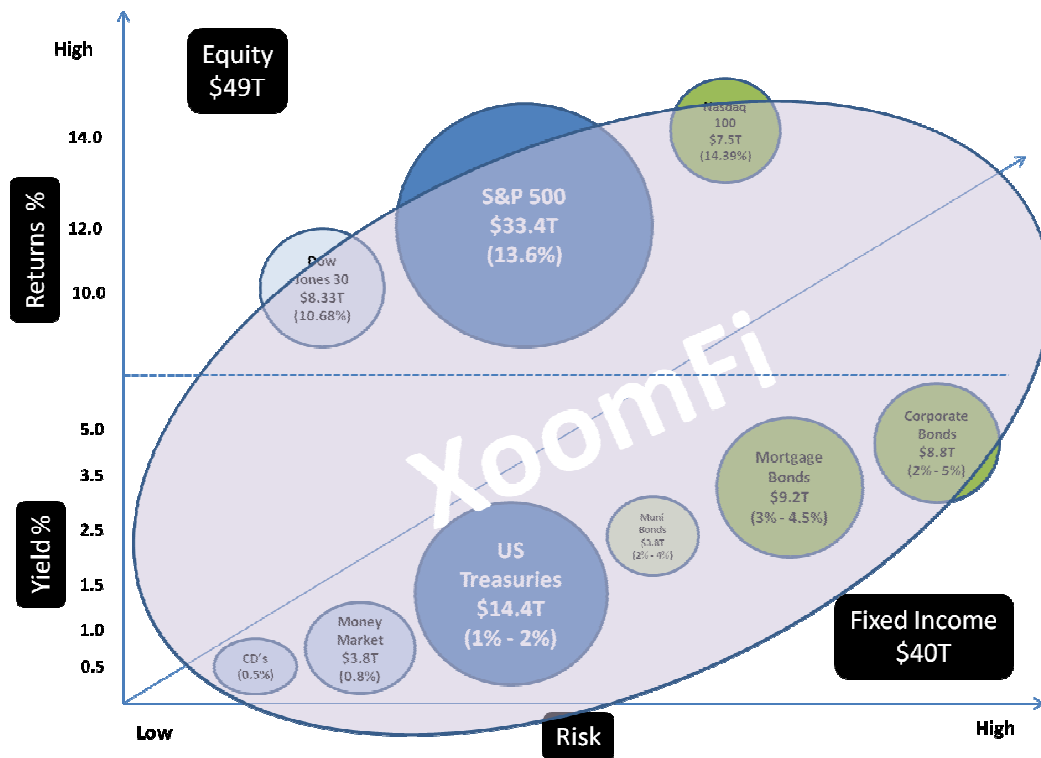
- a) deliver higher yields compared to the traditional fixed income investment products
- b) capture equity appreciation / gains upside potential
- c) provide inherent protection to the downside, and
- d) build and grow the equity base over a period of time

The system achieves this by purchasing the equities / securities based on a number of selection criteria AND at the same time selling a covered call option for those equities.

XoomFi and this new genre of Equity Premium Income investment products and the XoomFi trading algorithms uniquely provide a balance between all four elements (a), (b), (c) and (d) above.

Contrast XoomFi with Equity investment and Fixed Income investment products : Equity investment products focus on (b) and (d) and are subject to volatility, fluctuations and corrections in the market and hence are inherently more risky. Fixed income investment products, on the other hand, focus on (a) and are less risky, but time do not offer any upside gain potential.

The Chart below shows how XoomFi bridges the two investment worlds - Equity & Fixed Income - with the synthetic equity and options investment instrument, the interplay between the two providing the simultaneous benefits of income generation, equity gains AND downside protection.





The investment goal and objective of the XoomFi trading system is to generate a) consistent level of income generation higher than Fixed Income investment instrument + b) Equity appreciation - the combination of the two a) and b) generating returns outperforming the major stock market indexes on a consistent basis.

### XoomFi : How it works

The XoomFi trading system uses our proprietary algorithm to identify and select equities for the following baskets or portfolios :

- **Balanced Income & Growth**
- **Enhanced Income & Growth**
- **Ultra Income & Growth**

Selection of the equities for each portfolio is based on a variety of criteria, including:

- Market capitalization
- Market sector dynamics
- Short-term changes in the direction and price movement of the equity
- Volatility - current vs. historical - of the underlying equity
- Premium income potential of the underlying equity

While the income generated and equity appreciation realized are not predictable and are dependent on a host of market forces which are beyond the control of individual and institutional investors, the XoomFi trading system algorithm monitors and tracks a variety of market data and manages each of the portfolios and each equity position from the trade date to the next options expiration date to generate consistent returns.

By shortening the trading window to a narrow range of 15 to 45 days, the XoomFi trading system is able to make adjustments and rebalance the portfolio frequently to maximize the returns. It has so far generated predictable results - consistent income on a monthly basis while delivering an appreciable growth in the equity base.

The table below provides a comparative summary of the investment profile for each trade in the three XoomFi portfolios:

	Income	Max Profit	% of Max Profit		Risk	Reward / Risk Ratio
			Income (%)	Equity Gain (%)		
<b>Balanced</b>	3.75% - 4%	7.5%	50% - 53%	47% - 50%	5.0%	1.50
<b>Enhanced</b>	5% - 6%	12.0%	42% - 50%	50% - 58%	6.0%	2.00
<b>Ultra</b>	7.5% - 8%	20.0%	37.5% - 40%	60% - 62.5%	8.0%	2.50

We anticipate being in each equity position for a time period ranging from 15 to 45 days. Upon exiting each of these equity positions, typically on or around monthly options expiration dates, the XoomFi trading algorithm is designed to re-invest the funds except when market conditions represent extreme turbulence and volatility. Under normal market conditions, we anticipate reinvesting the funds in each portfolio 10 to 12 times per year.

Compounding of the returns - which are representative of XoomFi trades - shown in the table above for each trade 10 to 12 times per year creates an investment model with the potential to generate returns to outperform the market.



**Disclaimer :** The income, max profit, risk and reward / risk ratio are ranges and targets for each trade. We expect to be in each trade for a time period ranging from 15 to 45 days. The Annual Profit Target (%) for each portfolio is based on the estimated total number of trades for each portfolio per year on a risk-adjusted basis. These targets are goals we have established for each portfolio to manage each trade - entry and exit points, adjustments and rebalancing - and are not intended to be indicative of past performance nor are they guarantees or promise that we will be able to achieve these targets on a regular or consistent basis.

## XoomFi On-boarding process

The XoomFi trading system offers an easy and convenient way to invest with as little as \$25,000.

Our algorithm creates an investment profile for each client based on a variety of factors - capital investment amount, stocks and options investment experience, expectation of return on their investment, risk / reward profile, among others. This profile is based on the questionnaire each client fills out online - [www.XoomFi.com](http://www.XoomFi.com).

The Program relies on integrated, cloud-based portal for the account opening process. Through the Portal, each client completes a client profile and answers a risk tolerance questionnaire. Based on the information provided in the risk tolerance questionnaire, the Portal generates an allocation model.

## Custodial Accounts

XoomFi has selected Interactive Brokers as our affiliated broker and as the holder of custodial accounts for you, our investor. Once you have filled out the questionnaire and we have created your investment profile you will receive an invitation from Interactive Brokers (IBKR) to open your custodial account specifically and exclusively for your XoomFi investment.

Once you have successfully opened and funded your custodial account we will initiate and manage all the XoomFi trades for you. Your IBKR account will be used solely and exclusively for XoomFi investments and will not be available for any other trading activity.

As a condition of opening your Account and beginning to invest through the Program, you are required to transfer a minimum of \$25,000 into that account. Among other things, you acknowledge your ability and willingness to conduct your relationship with us almost exclusively on an electronic basis, receiving all Account agreements, documents and disclosures, including this Brochure, and any updates or changes to the same, through the Portal and/or the Program's electronic communications, and signing all agreements related to the Program electronically through the Portal.

## Capital Allocation

Based on your investment profile which you create online, our computer software algorithm will select a set profile for allocation of your investment capital.

Investment allocation to more than 1 portfolio is typically determined by the amount you invest:

- \$25,000 to \$49,999 : 1 portfolio
- \$50,000 to \$74,999 : 2 portfolios
- \$75,000+ : 3 portfolios

Our algorithm will select the portfolio - **Balanced, Enhanced and / or Ultra** - based on your investment profile. While there is no direct, set or permanent correlation between the market cap of the equities in your account and



other selection criteria and associated risks and rewards, in our assessment, risks and rewards will tend to be lower for the Balanced Income & Growth portfolio compared to Enhanced Income & Growth, which, in turn, will be lower than the risks and rewards associated with the Ultra Income & Growth portfolio.

For amounts greater than \$75,000, our algorithm will select an allocation model across multiple portfolios based on your investment profile.

Once your custodial account has been funded, the XoomFi trading system will buy the equities and options selected by our algorithm. It is our intent to invest all of the available cash in your account to maximize income generation and investment returns.

### Trade management & adjustments

We shall be the sole and exclusive portfolio manager for your Program Account. Under the Agreement, we have discretion in the ongoing management of your Account, which we exercise by reviewing and rebalancing that account in accordance with the prevailing allocation model, by maintaining and updating that allocation model and by implementing Account changes as needed.

The Program's asset allocation models and their associated securities shall be reviewed, adjusted and rebalanced periodically and at a minimum monthly. Changes to the allocation models, including target allocations and securities, are implemented across the Platform and communicated to all affected clients.

For each equity position, the algorithm determines a short to medium term target price for the equity and covered call. The algorithm tracks the directional and price movements for each of the equity positions and associated options continuously during regular trading hours. It also monitors a variety of other data - price change relative to the trade prices for the equity and option, # of days to expiration for the options, velocity and acceleration or deceleration of the price changes, upside potential and downside risk during the trade window, among others. The algorithm adjusts each of the equity positions; makes decisions to enter or exit specific positions; or roll to a different price or expiration for the options based on the data it monitors and tracks for each equity position.

### Equity Premium Income Distribution

It is our intent to issue monthly dividend distribution from the equity premium income collected. You have the option to accept the dividend or reinvest it. While it is our **intent** to issue monthly dividends, there is no guarantee that we will be able to issue the dividend each month. The decision to issue dividends will be based on the performance and value of your portfolio.

### Portfolio Rebalancing

Periodically, the XoomFi algorithm will rebalance the portfolio in your account based on deposits, withdrawals, portfolio performance and value, reinvestment of dividends among other factors.

Upon receipt of a request to deposit or withdraw funds from your account as well as on a continuous basis, a combination of equity and option purchase or sales will be initiated to continue to maintain your portfolio target allocation. XoomFi does so on a best efforts basis and may not be able to take into account individual tax, market or legal circumstances.

### Fund management



The XoomFi algorithm is designed to provide management for the portfolio in your account and to achieve the investment objectives and targets for your portfolio. These objectives and targets are completely aligned and synergistic with the investment objectives and targets for all other clients and their portfolios.

The XoomFi algorithm monitors and reviews the holdings and performance of the entire fund, which is the sum total of all the portfolios in the custodial accounts we manage. It checks each equity holding as a % of the entire fund to make sure the fund does not have excessive exposure to any one position or a specific sector.

The algorithm aggregates the portfolio data from each account and uses the macro data to make longer term decisions about the entry and exit points for each equity in the portfolio and addition of new equities to the portfolio. Each client, thus, benefits from the cumulative knowledge and experience of the XoomFi trading system in managing the entire fund and all the portfolios which make up the fund.

As you increase the size of your investment in XoomFi and expand beyond 1 to 2 or more portfolios, you will benefit from the investment strategies, equity positions and their performance, and our cumulative experience of investments in those other portfolios.

### Building and growing the Equity Base

As we develop a longer term history with our fund, the XoomFi algorithm will identify the equities which we will retain in the various portfolios to build and grow the equity base.

In keeping with our investment strategy of capturing equity appreciation upside potential, this additional element of the trading system helps us build and grow the equity and capital base for each portfolio and for the fund and generate incremental returns on the equity base.

### XoomFi Dashboard

Your IBKR custodial account features a comprehensive set of reports, which you will be able to access from anywhere, anytime over the Internet or from the IBKR mobile app.

In addition, your XoomFi.com account will give you additional, customized reports for each equity position in your portfolio and your account, including:

- Each equity position :
  - Current ROI
  - Projected ROI
  - Annualized ROI
- Portfolio :
  - Current, projected, annualized ROI
  - Income / dividend distributions
  - Portfolio Value
- Relative performance of each XoomFi Portfolio and XoomFi Fund:
  - Market indexes : S&P 500, Nasdaq-100, Dow Jones 30, Russell 2000
  - Bit-Coin and other crypto-currencies
  - Market leading ETF's

Information and reports, including portfolio value, performance reports (including asset class performance), account activity, custodial statements and billing information are made available to you through the Platform. These reports will be available to you online with real-time updates. This information may not be sent to you by e-mail. The Program's presentation of performance information is automatically generated by the Platform.



After your Account is opened, we will provide ongoing discretionary management of your Account investments and periodic reporting through the platform that relies on XoomFi services and software developed by our team (the "Platform"), which is linked to and integrated with your Custodial Account. We will use the Platform to manage trade orders for your Account, to monitor your investment allocations, to calculate performance, to provide periodic reporting to you and to generate billing information for the relevant custodian. Ordinarily, the Platform will execute block trades generated by our algorithm across all the applicable client accounts and portfolios. We will monitor your Account daily on an automated basis through the Platform and rebalance that account's investment allocations periodically.

You may use the Portal to review and/or update your Account information and risk profile. We will reconfirm this information with you on an annual basis. The XoomFi team will periodically review Program accounts, individually and at the aggregate level, to ensure that the investment allocations are in line with their targets, that the risk tolerance responses are still valid and that all Program reporting (performance, statements and tax documents) has been completed.

At all times, you have sole authority to withdraw cash, except as otherwise required to maintain the Program Minimum or for payment of fees and expenses (as described below). You may also, at any time, transfer additional funds into your Account or terminate your Account.

Before opening an Account and beginning to invest in the XoomFi program, you must carefully read the XoomFi Agreement (hereinafter "Agreement") and understand the consequences of entering into a discretionary, technology-assisted relationship with us. The Agreement contains various terms, conditions, rights, limitations and obligations, including fee payment obligations, when you have an active account and are investing in the Program. We may modify the Agreement from time to time as and when warranted as per the terms of the Agreement. Other important disclosures concerning the Program are provided in the Portal and we encourage you to review them.

## Risks

The risks and limitations of the automated process may result in the purchase of underperforming equities and the sale of better performing equities in order to achieve the targeted allocation. In some market conditions, this may create capital gains tax liabilities.

The XoomFi algorithm selects and assigns relative weighting of the equities in each of the Portfolios to achieve specific investment objectives, including diversification. Removing a specific equity from any of the Portfolios may change the weightings of equities in the resulting altered portfolio in a way that deviates from our investment objectives and may adversely impact performance.

The investment objectives of these risk levels are described in greater detail in the "Investment Strategies, and Risks" section. Within each allocation model, asset class weighting changes will occur over time. Our risk models are subject to periodic review and revision by the XoomFi Team.

## Investment Strategies and Risk of Loss

### *Client Information Gathering*

Through our XoomFi Portal you will determine whether the Program is suitable for your financial situation and get a recommended asset allocation model based on your responses to our risk tolerance questionnaire and other information that you provide or elect to aggregate. We have compiled the questions on the risk tolerance questionnaire, along with the parameters for creating a model recommendation based on your risk profile.

The Program restricts you to the asset allocation model corresponding to your risk profile, although you can cause the Program to change your allocation model by updating your risk profile information on the Portal. The





Program manages all of your Account assets as a single investment portfolio with a unified investment strategy and allocation model, based on the information and inputs described above.

#### *Information Sources*

The main information sources for market statistics, financial and other performance data on which the Program relies are third party data vendors. We pay these vendors access fees for their data services.

#### *Reliance on Client Information*

The Program relies on the accuracy and completeness of the information you communicate to us in determining the appropriate asset allocation model for, and making ongoing investment decisions on behalf of, your Account. That information must be true, accurate and complete, in any communications you have with us or as reported directly to us or through a third party. In particular, while the Program will ask you to update or confirm your investment goals and objectives and other personal information at least annually, we recommend that you review your investment goals on at least a quarterly basis and update any information whenever it changes significantly. If any of your information is false, materially inaccurate or incomplete, the Program's ability to help you achieve your investment goals and objectives may be materially compromised. Moreover, we will not change your Account's prevailing asset allocation model unless and until you update your information, nor does the Program consider information that you do not input or communicate in formulating your model recommendation.

### **Investment Strategies & Portfolios**

#### **XoomFi : New genre of investment instrument**

With your investment in **XoomFi** which represents a new genre - **Equity Premium Income** - of investment, we purchase equities or stocks - the selection of which is based on your investment profile - and write or sell covered call option and collect equity premium income when we write or sell the call option. The covered call option may limit your upside potential but provides definitive downside risk protection. The combination of the two - equity and covered call gives you the blend of income generation and equity appreciation : the call option provides income generation ability and the equity position gives you the equity appreciation potential.

Unlike Fixed Income investments in which you are using your cash to generate an income, with XoomFi investment you are using your equity base to generate the income. We select equities which we intend to hold for an extended period of time. The XoomFi algorithm determines the entry and exit points for each equity position in your account based on price action and maximization of the returns on your investment. While we are holding that equity in your account we are generating income - equity premium income - for you.

On an average an equity position is held for an estimated 270 days across all the equities that are traded in the US. Based our trading experience thus far, we have been holding the equity position for a much shorter duration, but during the time that we are holding that equity position, we are generating an income stream for you by selling one or more covered calls.

#### **XoomFi Investment Strategies and Portfolios :**

There are three Investment Strategies and associated allocation models or portfolios available in the XoomFi Program each representing varying degrees of risks and potential returns.

- **XoomFi Balanced Income & Growth**
- **XoomFi Enhanced Income & Growth**
- **XoomFi Ultra Income & Growth**



The common underlying theme and objective of the XoomFi program and all three Investment Strategies are income generation blended with equity or capital appreciation. All three strategies are centered around buying equities and selling covered call options to generate income.

The differences between the three strategies are in the criteria we use to select the equities - market cap, price action, implied and historic volatility, price range, options premium, among others - and how the algorithm manages the trades for each portfolio.

Risks and returns for any equity or portfolio of equities are constantly changing. Hence, it is difficult to categorically and definitively state the risks and returns for the three XoomFi investment strategies and portfolios - Balanced, Enhanced and Ultra. For the purpose of determining the initial allocation for you, the Balanced portfolio nominally represents lower risks compared to the Enhanced portfolio, which, in turn, represents nominally lower risks than the Ultra portfolio.

After placing the trades, the XoomFi algorithm actively manages the equity and call option trades - entry and exit points, rolling the options to a different price and / or different expiration date, adding or removing equity positions - to meet the program and strategy goals and objectives.

Our Program goal is for each of these three strategies to:

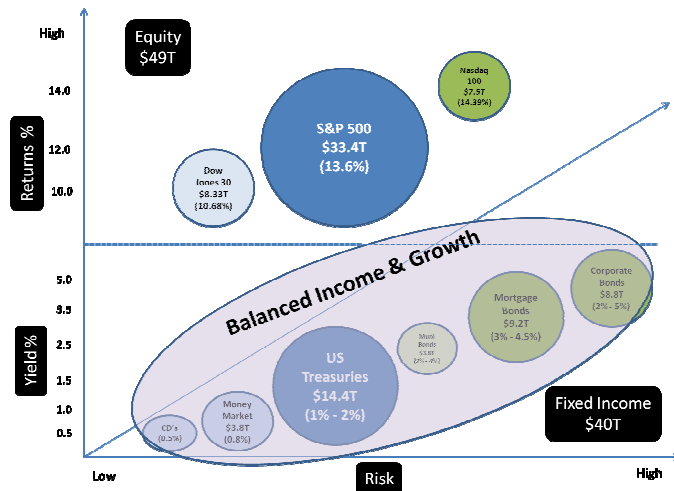
- a) Provide a consistent income stream and deliver yields greater than fixed income investment yields
- b) Manage the trades for equity appreciation and to build and grow the equity base over time
- c) Deliver Returns - combination of Yields + Equity Appreciation - to outperform the leading indexes

There are no guarantees that we will be able to meet each or any of these program goals every single trading day or every month or every quarter. Some of these goals may even be conflicting goals and at odds with each other. Based on our trading experience with this strategy, over time, the XoomFi active trading and trade management strategy will meet all of these program goals.

In the event the algorithm is not able to optimize the trades to achieve **all** the investment goals, it will seek to optimize the trades for income generation first and then all other goals.



## XoomFi Balanced Income & Growth



Designed for investors with the lowest risk tolerance. Investors in this strategy may be primarily concerned with generating income on a consistent basis and secondarily to growing their assets with investments in equities which represent modest risk levels.

This strategy and associated asset allocation are designed for a) investors looking for yields and returns greater than fixed income investment instruments - CD's, money market funds, US Treasuries, Municipal bonds, mortgage bonds and corporate bonds, b) investors looking for exposure to the equities market but with low risk levels and inherent downside protection.

This strategy addresses investors who hold a vast amount of their assets and net worth in cash or cash equivalents and invest predominantly in fixed income investment instruments. The target for this instrument is ~\$40T invested in Fixed Income markets in the US. The strategy relies on taking some portion of your investments in cash, cash equivalents, and / or fixed income products and investing in the XoomFi program - as opposed to Fixed Income products - and generating equity premium income on a consistent basis - as opposed to the interest income generated by Fixed Income investments.

We recommend that you take a portion of your fixed income investment and invest in XoomFi at a level that feels comfortable to you. Once you see a consistent level of income from your XoomFi investments at a rate higher than you are able to generate from your Fixed Income investments then you may shift a higher % of your fixed income investments to your investment in XoomFi.

While your primary objective may be income generation on a consistent basis, you should also track and monitor the increase or decrease in the equity base in your portfolio and then combine it with the equity premium income yield to determine your over-all investment returns and to compare the returns to the market index - S&P 500, Nasdaq-100, Dow Jones 30, Russell 2000 - returns.

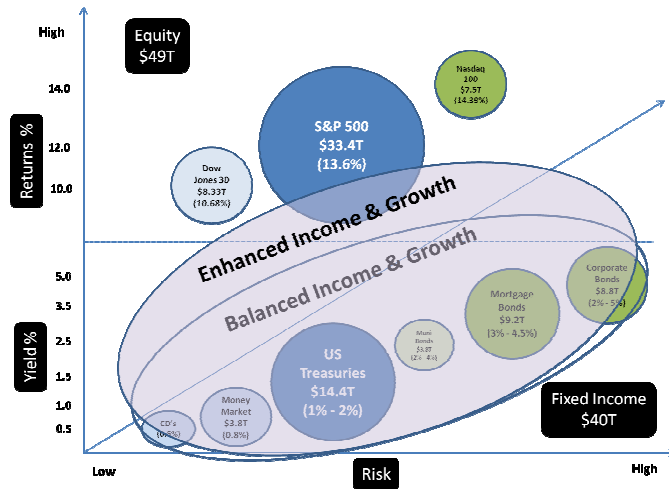
The table below captures the investment profile for XoomFi Balanced Income & Growth portfolio.

			% of Max Profit			
	Income	Max Profit	Income (%)	Equity Gain (%)	Risk	Reward / Risk Ratio
Balanced	3.75% - 4%	7.5%	50% - 53%	47% - 50%	5.0%	1.50

**Disclaimer :** The income, max profit, risk and reward / risk ratio stated in the table are target ranges for each trade. We expect to be in each trade for a time period ranging from 15 to 45 days. The Annual Profit Target (%) for each portfolio is based on the profit target for each trade multiplied by estimated total number of trades per year discounted and adjusted for the associated risks. These targets are goals we have established to manage each trade - entry and exit points, adjustments and rebalancing - and are not intended to be guarantees or promises that we will be able to achieve these targets on a regular or consistent basis, if ever.



## XoomFi Enhanced Income & Growth



Designed for investors with moderate amount of risk tolerance. The objective of this model is to **generate income AND simultaneously achieve capital appreciation** through investment in equities which may represent higher risks and greater rewards.

This strategy and associated asset allocation are designed for a) investors looking for yields and returns greater than fixed income investment instruments and b) investments in equities which represent moderate risk levels and c) investments with built-in or inherent downside protection.

This strategy is intended for investors who tend to invest in combination of fixed income

as well as Blue-chip and Value stocks and companies that are more mature and stable. Companies in the Dow Jones 30 index are generally representative of such equities. Value stocks generally offer lower returns compared to Growth stocks. Conversely, they do represent lower risks volatility compared to Growth stocks.

The target for XoomFi Enhanced Income & Growth portfolio is ~\$40T invested in fixed income markets and ~25% of the \$49T Equities market - or \$12.25T - invested in Blue-chip and Value stocks for an addressable target of \$52.25T. We recommend you take a portion of your current investments in fixed income and Blue-chip and Value stocks and invest in XoomFi. Once you have seen a consistent level of income generation AND equity appreciation compared to your current portfolio then you may shift more of your current investments to XoomFi.

For the primary metrics to measure the returns on XoomFi compared to traditional metrics, we recommend you compare a) the yield on XoomFi compared to fixed income markets AND b) return on equity compared to Blue-chip and Value Stocks. Combination of the two - yield + equity appreciation - compared to a) the average equities market returns, b) returns on Dow Jones 30 Blue-chip companies, and c) returns on Value stocks - are good metrics to measure how well your portfolio is doing vs. other comparable baskets of equities.

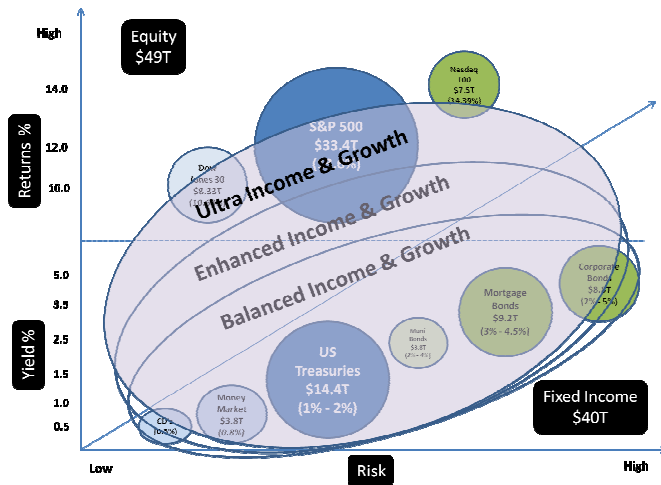
The table below captures the investment profile for the Enhanced Income & Growth portfolio.

			% of Max Profit			
	Income	Max Profit	Income (%)	Equity Gain (%)	Risk	Reward / Risk Ratio
Enhanced	5% - 6%	12.0%	42% - 50%	50% - 58%	6.0%	2.00

**Disclaimer :** The income, max profit, risk and reward / risk ratio stated in the table are target ranges for each trade. We expect to be in each trade for a time period ranging from 15 to 45 days. The Annual Profit Target (%) for each portfolio is based on the profit target for each trade multiplied by estimated total number of trades per year discounted and adjusted for the associated risks. These targets are goals we have established to manage each trade - entry and exit points, adjustments and rebalancing - and are not intended to be guarantees or promises that we will be able to achieve these targets on a regular or consistent basis, if ever.



## XoomFi Ultra Income & Growth



Designed for investors with a higher risk tolerance. The objective of this model is to provide consistent level of income generation and higher levels of capital appreciation with moderate concern for market volatility.

This strategy and associated asset allocation are designed for investors interested in a) investments in equities market for greater returns and willing to take higher degrees of risks, b) while generating a consistent level of income, and c) investments with built-in or inherent downside protection.

This strategy is intended for investors who tend to invest in combination of fixed income and Growth stocks - as opposed to Value stocks.

Companies in the Nasdaq-100 and S&P 500 indexes are representative of such equities. Growth stocks have delivered higher returns compared to Value stocks for the past 20+ years. Conversely, Growth stocks do represent higher degrees of risks and higher levels of volatility compared to Value stocks.

The target for XoomFi Enhanced Income & Growth portfolio is \$40T invested in fixed income markets and estimated ~50% of the \$49T Equities market - or \$24.5T - invested in Growth stocks for total addressable target of \$64.5T. We recommend you take a portion of your current investments in Fixed Income products and Growth stocks and invest in XoomFi. Once you have seen a consistent level of equity appreciation AND income generation compared to your current portfolio then you may shift more of your current investments to XoomFi.

For the primary metrics to measure the returns on XoomFi compared to traditional metrics, we recommend you compare a) the yield on XoomFi compared to fixed income markets AND b) return on equity compared to Growth Stocks. Combination of the two - yield + equity appreciation - compared to a) the average equities market returns, b) returns on S&P 500, Nasdaq-100 and Russell 2000 indexes, and c) returns on Growth stocks - are good metrics to measure how well the Ultra Income & Growth portfolio is doing vs. other comparable basket of equities.

The table below captures the investment profile for the XoomFi Ultra Income & Growth portfolio.

			% of Max Profit			
	Income	Max Profit	Income (%)	Equity Gain (%)	Risk	Reward / Risk Ratio
Ultra	7.5% - 8%	20.0%	37.5% - 40%	60% - 62.5%	8.0%	2.50

**Disclaimer :** The income, max profit, risk and reward / risk ratio stated in the table are target ranges for each trade. We expect to be in each trade for a time period ranging from 15 to 45 days. The Annual Profit Target (%) for each portfolio is based on the profit target for each trade multiplied by estimated total number of trades per year discounted and adjusted for the associated risks. These targets are goals we have established to manage each trade - entry and exit points, adjustments and rebalancing - and are not intended to be guarantees or promises that we will be able to achieve these targets on a regular or consistent basis, if ever.



## XoomFi Investment Portfolio Summary

The table below provides a comparative summary of the investment profile for the XoomFi portfolios:

	Income	Max Profit	% of Max Profit		Risk	Reward / Risk Ratio
			Income (%)	Equity Gain (%)		
Balanced	3.75% - 4%	7.5%	50% - 53%	47% - 50%	5.0%	1.50
Enhanced	5% - 6%	12.0%	42% - 50%	50% - 58%	6.0%	2.00
Ultra	7.5% - 8%	20.0%	37.5% - 40%	60% - 62.5%	8.0%	2.50

**Disclaimer :** The income, max profit, risk and reward / risk ratio stated in the table are target ranges for each trade. We expect to be in each trade for a time period ranging from 15 to 45 days. The Annual Profit Target (%) for each portfolio is based on the profit target for each trade multiplied by estimated total number of trades per year discounted and adjusted for the associated risks. These targets are goals we have established to manage each trade - entry and exit points, adjustments and rebalancing - and are not intended to be guarantees or promises that we will be able to achieve these targets on a regular or consistent basis, if ever.

**Note :** XoomFi does not and will not invest in speculative investment instruments - penny stocks, stocks with market capitalization less than \$500M, naked options, credit or debit spreads, equity swaps, etc.

### General Program Limitations :

While we have designed the Program to be broadly applicable to many clients, it may not be appropriate for you if you have specific investment restrictions; if you have a very short or a very long investment horizon, a high tolerance for market risk or a desire to invest significantly in alternative asset classes; or if you have especially complex investment objectives and needs as your current investments consist of illiquid securities, annuities and/or extremely low basis securities. Also, because the Program is a technology-enabled service in which you are required to enroll and interact with XoomFi primarily through the Portal, it is not appropriate if you have limited or no access to technology. If the Program is inappropriate for you, or if you prefer a non-technology-enabled advisory service, you should not participate in the Program. If you do not seek a “wrap” fee-based discretionary investment program, you should instead consider other alternative investment programs.

Should you determine that the XoomFi Program is appropriate notwithstanding the above considerations, you must keep in mind that it is not necessarily meant to be your sole investment strategy. Whether it is will depend on your individualized financial situation, investment goals and objectives and risk tolerance, in conjunction with careful consideration of the Program’s advantages and inherent limitations. To the extent the Program is not your sole investment strategy, we are not responsible for any of the other components of your investment strategy outside of the Program. Moreover, the Program is not intended to provide legal, tax, accounting or financial planning advice.

### **Limitations of the Initial Suitability Determination**

The Program’s initial asset allocation recommendation is generated based on the suitability determination conducted through the Portal when you open your Account. That determination is based on your responses to questions we ask that are intended to assess your risk tolerance and other information that you supply or allow the Program to automatically aggregate. This information feeds into a scoring system integrated into the Portal, which matches you to the investment objectives and intended risk and return characteristics of our asset allocation models. While our system relies on various factors we consider meaningful, because the Program is not intended to provide comprehensive financial planning, there may be additional relevant factors that are not



considered (e.g., current investment assets, if not automatically aggregated or supplied, debt load, financial obligations or other unique financial situations).

## **Risk of Loss**

While the Program attempts to optimize investment returns for your risk tolerance, XoomFi makes no assurance that the Program's investment decisions will be successful and result in profitable investing. As with all investments, investing in securities involves risk of loss that you should be prepared to bear. Investment performance can never be predicted or guaranteed, and the value of your Account will fluctuate due to market conditions and other factors. Past performance is not necessarily a guarantee of future results, and any historical returns, expected returns or probability projections may not reflect actual future Account performance.

When evaluating investment risk, financial loss may be viewed differently by each client and may depend on many different risk items, each of which may affect the probability of adverse consequences and the magnitude of any potential losses. The following risks may not be all-inclusive, but you should carefully consider them before opening an advisory account and beginning to invest. They include *General Risks* related to the Program, the *Underlying Risks* related to the asset classes and investment vehicles (i.e., stocks and options) used in the Program and *Other Risks* related to the Program and ourselves. All of these risks should be considered as possibilities, with additional regard to their actual probability of occurring and the effect on you if there is in fact an occurrence. Moreover, as the Program changes over time, you may be subject to additional and different risk factors than those specified here.

### **General Risks**

#### *Risks of Securities*

All securities and other Account investments carry some level of risk, including the risk that you could lose your entire investment. Prices of securities can be volatile and a variety of risks, including market, currency, economic, political, technological, regulatory, social and business risks, can adversely affect the value of and return on any Account investments. The Program is not necessarily intended to comprise your complete investment strategy—whether it is will depend on your specific financial situation. We do not make any assurance or warranty that the Program can result in profitable investing or loss avoidance. Past investment performance is not a guarantee of future results.

#### *Risks of Asset Allocation Model Selection*

The Program restricts you to the asset allocation model corresponding to your risk profile, although you can change your allocation model by updating your risk profile information with us. An inherent limitation in the use of an algorithm to assign risk profiles and an asset allocation model is the risk that there are factors not considered by the algorithm as a result of your unique situation, which have not been anticipated or incorporated into the design of the algorithm. These factors may include your other assets (if you do not automatically aggregate or supply them), debt load, financial obligations or other unique financial situation. As a result, the allocation model recommended to you by the Program may be inappropriate for your risk profile and may not be the best model for achieving your financial goals and objectives.

#### *Risks of Ongoing Rebalancing*

The Program's ongoing discretionary and active investment management of your Account will be driven almost entirely by the use of automated rebalancing software, which uses an algorithm to make decisions as to the trades to make for your Account. The algorithm will generate trades generally by calculating and comparing the relative value of an investment product within the Account to the target allocation for that investment product. We do not ordinarily override the algorithm and all rebalancing will occur automatically without our direct intervention. As a result, an inherent risk in the use of such automated software is that a malfunction or failure of the software could cause you to experience investment losses, some or all of which could be significant. Additionally, there exists the possibility that the rebalancing software could cause an Account to be automatically rebalanced during a significant and temporary market move resulting in significant losses.





### *Risks of Declared Risk Tolerance*

The Program's suggested asset allocation model is driven in large part on your declared risk tolerance. If you declare that you have a higher risk tolerance, the Program will, all else being equal, recommend an allocation model that involves investments that are considered to have higher risk (although also higher expected returns over time). If, on the other hand, you declare that you have a lower risk tolerance, the Program will, all else being equal, recommend an allocation model that involves investments that are considered to have lower risk (and also lower expected returns over time). You must carefully consider the tradeoff between risk and return in deciding upon your desired risk tolerance. A lower risk tolerance could, as a result of your Account containing larger weights in lower-risk asset classes, such as Value Stocks, reduce the possibility that you will achieve your investment goals. A higher risk tolerance could, as a result of your Account containing larger weights in higher-risk asset classes, such as Growth Stocks, expose you to higher Account volatility than you are comfortable accepting, which could also, depending on investment horizon, reduce the possibility that you will achieve your investment goals.

### *Capital Markets Assumptions Risks*

The Program's asset allocation models rely on capital markets assumptions that we, our affiliates or third parties supply. We can provide no assurance that these assumptions turn out to be correct and, in hindsight, may turn out to be materially incorrect. Capital market assumptions are not a forecast or prediction of future events, nor are they guarantees as to returns that may be realized in the future from any asset class or investment. They cannot account for the impact that economic, market and other factors may have on an actual investment portfolio. Nor do they take into consideration actual trading, liquidity constraints, fees, expenses, taxes and other factors that could impact realized future returns. Ultimately, the value of the assumptions is not in their accuracy as estimates of future returns, but in their ability to capture relevant relationships and changes in those relationships as a function of economic and market influences. Relying on incorrect assumptions may cause you to accept more or less risk than you desired and undermine the Program's ability to help you achieve your investment objectives and goals. We will not be liable to you for any incorrect capital markets assumptions on which the Program relied.

### *Investment Model Risks*

We apply our investment experience in establishing the Program and selecting the asset allocation models and the securities to use in each version of those models. However, there is no guarantee that we will be successful in doing so. We base our investment decisions on factors that ultimately are derived from current and historical information available. There can be no assurance that historical trends will continue as assumed or expected. We may rely on analyses and/or theoretical models in connection with the Program that, in turn, are based on certain assumptions and depend on the accuracy of the data used in them. The generality of these assumptions may limit their effectiveness in specific cases. Models that are based on past data may fail to accurately predict future results.

### *Risks of Reliance on XoomFi Personnel*

XoomFi personnel may end their employment and we may reorganize our investment teams. This may affect our discretionary and active management of your Account and our other operations related to the Program and the Portal.

### *Risks of Inaccurate or Incomplete Information*

The Program is highly dependent on the accuracy of the information you supply to us. Accordingly, provision of false, inaccurate or incomplete information could materially impact the relevance and utility of the Program's recommended asset allocation model and related investment decisions. Moreover, such model and decisions are limited in scope to your responses to the risk tolerance questionnaire you complete when you open your Account and any additional information you supply to us. There may be additional information or financial circumstances not considered by the Program that could inform the Program's allocation model and investment decisions.



*Risks of New Offering; Uncertain Results*

The Program is a new XoomFi offering which launched in 2020. Further, because, among other things, market conditions and asset allocation approaches are continually changing, prior investment performance of other products or accounts managed by XoomFi or our affiliates do not necessarily indicate the Program's prospects for success. We cannot and do not give any assurance that the Program will enable you to achieve your investment goals and objectives over any time period or at all, improve the risk/return profile of your overall investment program (to the extent the Program is not your sole investment program) or that your Account will not incur material losses.

*Risks of Investment Horizon and Liquidation-Driven Losses*

We intend to fully invest all available cash in your Account in the XoomFi Program. If you need access to the assets invested by the Program at any point, the prices at which those assets are liquidated may cause you to experience a material loss, and you may incur taxes and penalties, which undermines the Program's ability to help you achieve your investment goals and objectives.

*Tax Risks*

While the Program's investment strategies do consider tax efficiency, the Program does not offer tax advice and no assurance is provided that certain tax consequences will be obtained or avoided by you by choosing any particular investment strategy. Dividends, capital gains, withdrawals, transfers and sales of securities may create taxable events unless your account is tax-exempt (e.g., a 401(k) or individual retirement account). Tax laws and regulations applicable to your Account are subject to change, and you could incur unanticipated tax liabilities as a result of such changes. We assume no responsibility to you for the tax consequences of any investment strategy or Account transaction and urge you to consult with your personal tax and legal advisors regarding the consequences of selecting a particular strategy and investing through the Program based on your particular circumstances.

*Cash Drag Risk*

While we anticipate the cash component of your Account will generally not be significant relative to the overall net assets of the account, the "cash drag" resulting from the Program cost (i.e., the Wrap Fee) exceeding the return on that cash portion may be especially significant in a very low or even negative interest rate environment where the Federal Reserve is keeping short-term interest rates close to zero to stimulate economic growth, such as in the aftermath of the U.S. financial crisis and the pandemic. Since cash is liquid, the rates paid to investors are generally significantly lower than the yield on other liquid securities. As interest rates increase over time, cash investments would be expected to see an increase in yield, as they have historically in rising rate environments, reducing the "cash drag" you experience on the Account's cash component. In addition to the effects of "cash drag," inflation can erode the purchasing power of un-invested cash.

*Custodial Account Funding Risk*

The sale or liquidation of investments or other assets to fund your Account may have adverse tax consequences, early withdrawal penalties or other costs or penalties as a result of those sales or liquidations. If applicable, any living benefit, death benefit or any other benefit of the existing investment may terminate upon liquidation.

*Withdrawal Risk*

Your cash withdrawal requests from the Account may cause the Program to execute trades at then-prevailing market prices or prevent the Program from executing other trades intended to rebalance your portfolio. This may cause your current asset allocation to deviate from the Program's target allocation, potentially materially, result in losses and undermine your long-term investment objectives and goals. Further, the Program will not use dividend and other income generated by the securities held in your Account to rebalance that account, will not necessarily reinvest that income in those same securities and will not make that income available for withdrawal.

*Diversification and Asset Allocation Risks*



The Program's asset allocation models and investment strategies are developed using modern portfolio theory, which seeks to construct portfolios to optimize expected return based on a given level of market risk and underlying capital markets assumptions, or equivalently to minimize risk based on a given level of expected return, by selecting the proportions of various asset classes rather than selecting individual securities. The asset classes selected are intended to reflect the types of fundamental equity and fixed income exposures that are commonly included within diversified investment portfolios. Other asset classes not considered in the portfolios may have characteristics similar or superior to those that are included.

In addition, the asset classes selected can perform differently from each other at any given time (as well as over the long term), so your Account's performance will be affected by the allocation among the various asset classes. The Program's asset allocation decisions may result in more portfolio concentration in a certain asset class or classes, which could reduce overall return if the concentrated assets underperform our expectations. Depending on market conditions, there may be times where diversified portfolios underperform less diversified portfolios, as investment strategies involving diversification do not guarantee low volatility, profit or protection against investment loss.

Moreover, the value of an entire asset class can decline for a variety of reasons outside of our control, including, but not limited to, changes in the macroeconomic environment, unpredictable market sentiment, forecasted or unforeseen economic developments, interest rates, regulatory changes and domestic or foreign political, demographic or social events. If your Account has a high allocation in a particular asset class that may negatively affect overall Account performance to the extent that the asset class underperforms relative to other market assets. Conversely, a low allocation to a particular asset class that outperforms other asset classes in a particular period will cause your Account to underperform relative to the overall market.

#### *Correlation Risk*

Your Account may achieve returns that are not correlated with various market indices or the returns of other investment services. Notwithstanding, it is anticipated that certain investments made by the Program 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.

#### *Economic Risk*

The Account's investments will be exposed to risks relating to weaknesses in various global economies and the economic cycles. Numerous factors affecting Account performance, such as market volatility, interest rates, commodity prices, equity prices, currency prices, credit spreads and deflationary and inflationary pressures may be 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 Account investments.

#### *Financial Market Disruptions*

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 that the Program may make on your behalf. 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 your Account and the Program.

#### *Regulatory Change Risk*

It is possible that changes in applicable laws and regulations will affect your Account and the Program. These changes may include: changes in investment advisor or securities trading regulation, a 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. The Program does not engage in financial or tax planning, and in certain circumstances you may incur taxable income on your investments without a cash distribution to pay the tax due. In addition, a number of



substantial regulatory changes are pending or in the process of changing in certain markets. The consequences of additional regulation on the liquidity and the efficient and orderly functioning of the markets in which the Program invests your Account assets cannot be predicted and may materially diminish the profitability of the Program's investments.

#### *Volatility Risk*

The performance of investment strategies the Program deploys may be volatile (both in absolute terms and relative to realized returns), potentially resulting in increased risks, including the risk of substantial losses. Such strategies may have volatility, a greater chance of extreme 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 models that are implemented by the Program on behalf of other clients.

#### *Liquidity and Valuation Risk*

High volatility and/or the lack of deep and active liquid markets for a security may prevent us from causing trades to be placed for clients at all, or those trades to be placed at an advantageous time or price. Some securities that hold or trade derivatives and other financial instruments may be adversely affected by liquidity issues as they manage their portfolios. While the Program values the securities held in your Account based on reasonably available exchange-traded security data, we may from time to time receive or use inaccurate data, which could adversely affect security valuations, transaction sizes for purchases or sales in connection with Account rebalancing and/or the Advisory Fees you pay.

#### *General Market Risk; Interconnected Markets*

As with all investments, Account investments will be subject to risk of loss that you should be prepared to bear. Generally, the market value of the securities in which your Account invests may go up or down in response to the prospects of individual companies, particular sectors or governments and/or general economic conditions throughout the world due to increasingly interconnected global economies and financial markets.

#### Underlying Risks

The Program's allocation models may include the following asset classes:

- Equities (Stocks) : Large Cap, Mid Cap, Small Cap
- Call Options

Each asset class has different risks that you should consider. The list below are major risk types that we have identified as being most relevant : Basis, Credit, Derivatives, Emerging markets, Equity, Investment style, Portfolio turnover, Foreign currency, Cyber-security, among others.

**Basis Risk.** Basis risk may exist when there is a divergence between the price of a derivative and that of the underlying instrument in the cash market. This may result in market exposures, even in instances where derivatives positions have been taken to hedge underlying exposures, due to the unforeseen divergence of the derivative and underlying security prices. This is only relevant if the underlying instrument is traded prior to maturity.

**Credit Risk.** Your Account may be exposed to credit risk. Intermediaries or contract counterparties may experience adverse economic consequences that may include impaired credit ratings, default, bankruptcy or insolvency, any of which may adversely affect your Account. The credit rating or financial condition of an issuer may affect the value of a fixed income debt security. Generally, the lower the credit quality of a security, the greater the perceived risk that the issuer will fail to pay interest fully and return principal in a timely manner. If an issuer defaults or becomes unable to honor its financial obligations, the security may lose some or all of its value. The issuer of an investment-grade security is considered by the rating agency to be more likely to pay interest



and repay principal than an issuer of a lower quality bond. Adverse economic conditions or changing circumstances may weaken the capacity of the issuer to pay interest and repay principal.

Credit risk applies to assets on deposit with the custodian associated with your Account, notwithstanding asset segregation and insurance requirements that are beneficial to custodial 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 Account securities. Finally, any issuer of securities may experience a credit event that could impair or erase the value of that issuer's securities held by your Account.

*Derivatives Risk.* Derivatives such as options can be highly volatile and involve risks in addition to the risks of the underlying referenced securities. Gains or losses from a derivative can be substantially greater than the derivative's original cost, and can therefore involve leverage. Derivatives can be complex instruments and may involve analysis that differs from that required for other investment types utilized. If the value of a derivative does not correlate well with the particular market or other asset class to which the derivative is intended to provide exposure, the derivative may not produce the anticipated result. Derivatives can also reduce the opportunity for gain or result in losses by offsetting positive returns in other investments. Derivatives can be less liquid than other types of investments and entail the risk that the counterparty will default on its payment obligations. If the counterparty to a derivative transaction defaults, an investment would risk the loss of the net amount of the payments that it is contractually entitled to receive. To the extent that a strategy enters into short derivative positions, there may be exposure to risks similar to those associated with short sales, including the risk that losses are theoretically unlimited.

*Emerging Markets Risk.* The risks of foreign investing are heightened when investing in emerging markets. Emerging markets securities involve a number of additional risks, which may result from less government supervision and regulation of business and industry practices (including the potential lack of strict finance and accounting controls and standards), stock exchanges, brokers and listed companies, making these investments potentially more volatile in price and less liquid than investments in developed securities markets, resulting in greater risk to investors. There is a risk in developing countries that a future economic or political crisis could lead to price controls, forced mergers of companies, expropriation or confiscatory taxation, seizure, nationalization or creation of government monopolies, any of which may have a detrimental effect on these investments. In addition, these investments may be denominated in foreign currencies and, therefore, changes in the value of a country's currency compared to the U.S. dollar may affect (positively or negatively) the value of these investments. To the extent that an allocation model has a significant portion of assets in the securities of issuers in or companies of a single country or region, it is more likely to be impacted by events or conditions affecting that country or region, which could have a negative impact on performance. Some of the risks of investing directly in foreign and emerging market securities may be reduced when investments are made indirectly in foreign securities through various other investment vehicles including derivatives, which also involve specialized risks described above.

*Energy Risk.* An allocation model may have significant concentration of investments in the energy industries, which makes it more susceptible to factors adversely affecting issuers within those industries and a downturn in the energy industries generally. At times, the performance of securities of companies in the energy industries may lag the performance of other industries or the broader market as a whole. Energy companies are affected by worldwide energy prices and costs related to energy production. These companies may have significant operations in areas at risk for natural disasters, social unrest and environmental damage. These companies may also be at risk for increased government regulation and intervention, energy conservation efforts, litigation and negative publicity and perception. Investments in energy-related utilities companies involve special considerations, including the risk of changing commodity prices, government regulation and oversight, increased tariffs, changes in tax laws, interest rate fluctuations and changes in the cost of providing utility services. Utilities companies are also subject to potential terrorist attacks, natural disasters and severe weather conditions, as well as regulatory and operational burdens associated with the operation and maintenance of facilities.



**Equity Risk.** Any investment in an equity security is subject to the risk that stock prices will fall over short or extended periods of time. Historically, the equity markets have moved in cycles, and the value of equity securities may fluctuate drastically from day to day. Individual companies may report poor results or be negatively affected by industry and/or economic trends and developments. The prices of securities issued by such companies may suffer a decline in response. These factors contribute to price volatility, which is the principal risk of investing in any equity security.

**Foreign Currency Risk.** The value of investments in a foreign security will be affected by the value of the local currency relative to the U.S. dollar. When a security denominated in a foreign currency is sold, its value may be worth less in U.S. dollars even if the security increases in value in its home country. U.S. dollar-denominated securities of foreign issuers may also be affected by currency risk, as the value of these securities may also be affected by changes in the issuer's local currency.

**Interest Rate Risk.** Changes in interest rates are a factor that could affect the value of an investment. Rising interest rates tend to cause the prices of fixed income securities (especially those with longer maturities) to fall. Risks associated with rising interest rates are heightened given that interest rates in the U.S. are at, or near, historic lows. The concept of duration is useful in assessing the sensitivity of a fixed income investment to interest rate movements, which are usually the main source of risk for most fixed income investments. Duration measures price volatility by estimating the change in price of a debt security for a 1% change in its yield. For example, a duration of five years means the price of a debt security will change about 5% for every 1% change in its yield. Thus, the longer the duration, the more volatile the security. Fixed income debt securities have a stated maturity date when the issuer must repay the principal amount of the bond. Some fixed income debt securities, known as callable bonds, may repay the principal earlier than the stated maturity date. Fixed income debt securities are most likely to be called when interest rates are falling because the issuer can refinance at a lower rate.

**"Value" Investing.** XoomFi Program incorporates in its equities selection a "value" style of investing. Value investing focuses on companies with stocks that appear undervalued in light of factors such as the company's earnings, book value, revenues or cash flow. If the assessment of a company's value or its prospects for exceeding earnings expectations or market conditions is inaccurate, the investment could suffer losses or produce poor performance. In addition, "value stocks" can continue to be undervalued by the market for prolonged periods of time.

**Liquidity Risk.** Certain securities may be difficult or impossible to sell at the time and the price that we would like. We may, in turn, have to lower the price, sell other securities instead or forgo an investment opportunity, any of which could have a negative effect on the management or performance of your Account.

**Portfolio Turnover.** Certain allocation models may involve frequent purchases and sales of securities. These models may increase the amount of capital gains (in particular, short-term gains) realized by investors. Investors may pay tax on such capital gains.

**Small- and Mid-Capitalization Company Risk.** Small- and mid-capitalization companies may be more vulnerable to adverse business or economic events than larger, more established companies. In particular, these small- and mid- sized companies may pose additional risks, including liquidity risk, because these companies tend to have limited product lines, markets and financial resources and may depend upon a relatively small management group. Therefore, small- and mid-cap stocks may be more volatile than those of larger companies.

**U.S. Government Securities Risk.** Although U.S. government securities are considered to be among the safest investments, they are not guaranteed against price movements due to changing interest rates. Obligations issued by some U.S. government agencies are backed by the U.S. Treasury, while others are backed solely by the ability of the agency to borrow from the U.S. Treasury or by the government-sponsored agency's own resources. As a



result, investments in securities issued by the government-sponsored agencies that are not backed by the U.S. Treasury are subject to higher credit risk than those that are.

*Other Underlying Risks.* Certain of the allocation models deployed by the Program may have exposure, whether intentional or unintentional, to various market movements and other sources of risk, whether known or unknown. 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.

*Risks of Other Investments.* Except as otherwise stated in this Brochure, there are no material limitations on the Equities and Options in which the we may invest your Account assets. We may vary such investments based on prevailing market conditions and other considerations. For some of these investments, no specific investment risk factors are described above. However, those investments should not be considered to have any less risk than any others. The Program is not required to make any particular investments and may discontinue making certain investments, whether or not those investments are specifically described in this Brochure, without notice to you.

#### Other Risks

##### *Risk of Trade Delays*

We will direct purchase and sale orders for your Account to the associated custodian in accordance with our internal trade processes and procedures. For various reasons, including market volatility, peak demand or systems upgrades or maintenance, there could be delays in the amount of time it takes us to direct trades to the custodian, the custodian to place those trades and those trades to execute. Any such trade delays could reduce, perhaps materially, the profit you realize from the transaction or could cause a material loss.

##### *Risk of Trading Suspensions*

We may suspend directing trades to the custodian for your Account during periods of extraordinary market volatility or illiquidity without providing notice to you. While we will make the decision to do so based on our consideration of what is in your best interest in light of then-prevailing market conditions, a suspension may result in material losses to you, cause your current asset allocation to materially deviate from the Program's targets and/or prevent you from generating Account liquidity and/or implementing changes to your investment objectives and goals. Trading suspensions may also have other adverse consequences to your Account that we are unable to anticipate. Notwithstanding the foregoing, we will have no liability to you for any losses or damages you incur (including lost profits, trading losses and similar damages) as a result of a trading suspension.

##### *Market Order Risks*

We may direct the custodian to execute equity trades for your Account using "market orders" (*i.e.*, an order to buy or sell a security immediately at the best available current price). Because market orders are executed immediately, as opposed to orders that specify a target price at which the security should be bought or sold and remain open for a longer period of time, during which the price of the security may or may not hit the target price and the order may accordingly not execute (*i.e.*, "limit orders"), market orders bear inherent risks, particularly in times of high volatility and for securities that are thinly traded. As a result, the use of "market orders" could potentially cause you to pay a higher purchase price for these securities or receive a lower sale price, and could also result in higher transaction costs.

##### *Litigation Risk*

From time to time, in the ordinary course of our operations, we may be subject to litigation and arbitration, which can be costly and consume resources of us and/or our affiliates. Any litigation or arbitration could have a materially adverse effect on our ability to continue offering the Program.

##### *Risk of Investment Company Act Compliance*





We have designed the Program to comply with the requirements of Investment Company Act of 1940 (the “Investment Company Act”) Rule 3a-4 (“Rule 3a-4”). Rule 3a-4 provides similarly managed investment programs, such as the XoomFi Program, with a non-exclusive safe harbor from the definition of an investment company, so long as those programs satisfy certain conditions designed to ensure that clients receive individualized treatment and there is no asset pooling. Among other things, Rule 3a-4 requires that investment advisors obtain information about each client’s financial situation and investment objectives and manage each client’s account in accordance with any reasonable restrictions imposed by that client. The Program’s collection of your information, annual confirmation of your investment goals and objectives and allowance of restrictions on investment in specific Equities or Classes of Equities by your Account are intended to satisfy the foregoing requirements of Rule 3a-4. As a result of this safe harbor, you will not have the benefit of the protections afforded to investment companies under the Investment Company Act, which could possibly reduce certain risks of loss to your Account. If Rule 3a-4 were to cease to be available, or if the SEC were to modify the rule or its interpretation of how the rule is applied, our ability to continue offering the Program in its current form could be materially adversely affected.

#### *Operational Risk*

Your Account may experience losses as a result of shortcomings or failures in our internal processes, people or systems or from external events. Such operational risk can arise from many factors ranging from routine data processing errors to potentially costly incidents related to, for example, major information technology systems failures. Any operational shortcomings or failures or other unforeseen events, if outside the scope of our disaster recovery and business continuity plan (“Plan”), may result in disruptions to the Program.

#### *Technology and Cyber-security Risk*

The Program is dependent upon various computer and telecommunication technologies, many of which are provided by or are dependent on third parties such as data feed, data center, telecommunications, Internet service or utility providers. The successful operation of the Program, and the Portal in particular, could be severely compromised by system or component failure, telecommunication or Internet failure, power loss, a software-related system crash, unauthorized system access or use (such as “hacking”), computer viruses worms and similar programs, fire or water damage, human errors in using or accessing relevant systems or various other events or circumstances. It is not possible to provide comprehensive and foolproof protection against all such events, and no assurance can be given about the ability of applicable third parties, particularly our technology service providers, to continue providing their services. Any event that interrupts such computer and/or telecommunication systems or Internet or operations could have a material adverse effect on the Program for an indefinite time period, including by preventing the Program from managing your Account. Such a material adverse effect may have a more pronounced impact given the automated, algorithmic nature of the Program.

In addition, there are other operational, information security and related risks associated with the use of electronic, Internet-based technologies to provide the Program. In particular, XoomFi, our affiliates and you may be subject to cyber-security risks. Those risks include, among others, theft, misuse or corruption of data maintained online or digitally; denial of service attacks on websites; the loss or unauthorized release of confidential and proprietary information; operational disruption; or various other forms of cyber-security breaches. Cyber-attacks against, or security breakdowns of ourselves, your Account’s custodian or our technology service providers may harm you, potentially resulting in, among other things, financial losses, the inability of XoomFi and/or you to transact business, violations of applicable privacy and other laws, regulatory fines, penalties, reputational damage, reimbursement or other compensation costs and/or additional compliance and remediation costs. Cyber-security risks may also affect issuers of securities in which your Account is invested, potentially causing your investment in such issuers to lose value. Despite risk management processes, there can be no guarantee that you will avoid losses relating to cyber-security risks or other information security breaches.

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#### **Voting Client Securities**

By opening an advisory account and entering into the Investment Agreement, you authorize us to vote proxies for the securities held in your Account, although you may retain proxy voting authority by instructing us and your



Account's custodian. We will vote proxies in accordance with our established policies and procedures, which were created to reasonably ensure that votes cast are in your economic interest.

Notwithstanding the foregoing, if we identify any material conflict of interest between ourselves and you, we will determine whether it is appropriate to inform you, to give you an opportunity to vote the relevant proxies or to address the voting issue through other objective means such as voting in a manner consistent with a predetermined voting policy or an independent third party recommendation.

We will maintain a record of our proxy voting activities, including the resolution of any proxy voting conflict of interest. If you hold similar securities as those in your Account elsewhere, you should note that it is possible that a given proxy vote for your Account could differ from the other vote for the securities held elsewhere. You can contact us if you have questions regarding voting proxies in general, or wish to obtain information concerning how securities in your Account were voted.

#### *Other Legal Notices*

The Investment Agreement does not authorize us to take action on your behalf in any legal proceedings or other corporate actions, including class actions or bankruptcies, involving securities held in your Account.

### **Item 7. Client Information Provided to Portfolio Manager**

When you initially open your Account, you will complete a risk tolerance questionnaire that is used to make an initial suitability determination and to generate a recommended asset allocation. That questionnaire elicits information such as your age, investment objections, investment experience, time horizon, risk tolerance, your aggregated assets, hypothetical decisions you would make in market scenarios, investment goals, relative preference for market outperformance versus downside protection, cost and tax considerations. That information is intended to help us determine both your objective ability and subjective willingness to take risk, which we integrate to determine what we consider to be your actual risk tolerance. You can provide additional information to us, including information regarding any other assets or financial accounts (including those of your spouse or spousal equivalent). You can review and update this information at any time through the Portal if it changes, and we will confirm it with you on an annual basis, as described below. The information you supply to us may cause us to make changes to your recommended asset allocation model.

### **Item 8. Client Contact with Portfolio Managers**

As a technology-enabled service, with investment decisions driven by the relevant allocation models and the Platform algorithms that implement them, the Program does not rely on traditional portfolio managers and does not provide you with the ability to contact or consult with those persons at XoomFi with general responsibility for the Program. However, as described below, the Program offers you several opportunities to speak with our representatives regarding your Account. In particular, the Program offers an annual review process in which you will confirm your risk tolerance questionnaire responses, and you can update your information through the Portal or change restrictions on the securities in which your Account may invest anytime, including following your review of your Account's performance reports. You may speak with a representative regarding your Account by using the contact information specified on the Portal; however, generally, we will not assign a designated representative to your account. Support for your Program Account will be provided by phone rather than in person. You should be aware that you may not be able to speak to a representative during market events, such as periods of exceptional volatility or downturns.

At all times, you are responsible for taking action if you want to make changes to your Account. To that end, you must terminate your Account if you determine the Program no longer suits your investment needs.

### **Item 9. Additional Information**

#### *Custody and Brokerage Matters*





Each Program account will be a custodial account that you establish at an approved, qualified independent custodian and broker-dealer. Currently, the only approved custodian for the Program is Interactive Brokers (IBKR), Member FINRA/SIPC, although we intend to participate in the investment advisor referral platforms of other broker dealers and may add other industry-leading custodians in the future. We have sole discretion over the direction of trades to your Account's custodian for execution. Because Wrap Fees include fees for brokerage services, it is anticipated that we will direct all of the trades for your Account to the associated custodian for execution. If we should determine that it is in your best interest to direct trades for your Account to another broker-dealer, we will notify you and provide relevant information on that arrangement through the Portal.

The Program does not offer you the option of designating your own custodian or broker-dealer to carry your Account or to execute transactions for that account. As a result, you may receive less favorable execution for your trades than you could obtain using another broker-dealer or if you were able to control the direction of those trades to the broker-dealer. You should carefully review the disclosures presented to you by the relevant custodian when opening your Account and consider whether or not the use of that custodian may result in certain costs or disadvantages to you as a possible result of less favorable trade executions.

#### *Custodian Selection*

We will select those custodians that will be eligible to hold Program accounts based on our consideration of a number of qualitative factors we consider relevant to our analysis.

We will periodically review the performance of all Program custodians and the service offerings of other qualified custodians. See "Account Monitoring and Review" under "Review of Accounts" below for information about reviews of current custodians. Based on these reviews, we may, from time to time at our discretion, take action to add or remove eligible custodians for new Program accounts.

#### *Custody*

While we will cause the Wrap Fees due and payable on each Payment Date to be debited from your Account on or about that date, as described above under "Services, Fees and Compensation" (*i.e.*, "indirect custody"), we do not otherwise have custody of the assets in your Account, as "custody" is defined in Rule 206(4)-2 of the Advisors Act (the "Advisors Act"). Therefore, your custodian, not XoomFi, has sole responsibility with respect to the collection of income, physical acquisition and safekeeping of the assets, investments, funds and other property held in the Account.

#### *Order Direction*

We direct orders to Custodian for your Account in accordance with our internal trade processes and procedures. Once received by Custodian, those transactions may be subject to internal processing delays in certain circumstances. In particular, the orders we direct to Custodian on non-business days, thirty minutes or less before markets close (typically 4:00 PM ET) and after markets close may not execute until the next business day. Further, deposits to your Account are typically subject to a processing period that may be up to five business days or longer; related transactions may not occur until the next business day after this processing period is complete. In addition, we may, at any time and without notice to you, delay or manage trading orders in response to market instability, in response to observed or expected market instability arising from other sources, such as world events and key announcements from governmental bodies (*i.e.*, the Federal Reserve) or as we consider appropriate under the circumstances. We will not, however, delay or manage trading orders based on any view about whether markets are likely to rise or fall. There is no guarantee that the trades Custodian executes on the same day or on different days receive the same execution price. Your access to Account funds is generally not affected by our trading direction processes and procedures, including decisions to delay trade orders during times of market instability.

#### *Order Aggregation*

As a general practice, we submit trades for all Program accounts trading in a given day with a particular custodian in a single order directed to that custodian to secure certain efficiencies and results with respect to execution, clearance and settlement of those orders. However, we may not aggregate purchase or sale orders for Program



clients trading with a particular custodian, and may direct additional trades to that custodian as needed, including for newly established accounts or to invest cash contributed to an account or to fund a withdrawal request. If an aggregated order with a particular custodian is executed in parts at different prices, or if two or more separate orders for two or more Program clients that are entered at approximately the same time on any day are executed at different prices, we may, in our discretion, employ an average price at which such investments were purchased or sold for each client for whom such orders were executed. In making decisions concerning aggregation and/or price averaging and allocating the investments so sold or purchased, we will act in the manner we consider to be most equitable, taking into consideration our duties to all Program clients. In some instances, order aggregation or price averaging may adversely affect the price paid or received by your Account or the number of shares of a security bought or sold for the Account.

#### *Cost Basis*

We do not choose a method for calculating the cost basis for your Account transactions. Rather, this determination is made by the relevant custodian. The choice of cost basis method may have significant tax consequences for you and we urge you to consult with legal and tax advisors if you have any questions or concerns regarding the consequences of a particular cost basis method utilized by custodian.

#### *Soft Dollars*

While we will not receive soft dollars or use commissions in the Program to obtain research or brokerage services, the brokerage platforms used by the Program will make a range of services and tools available to us as a sponsor participating on the platform. The availability of these tools and services may give us an incentive to select a particular custodian for the Program over another.

#### *Principal and Cross Trades*

We will not affect principal trades between our own account and any Program account or agency or internal cross trades between Program accounts.

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### **Code of Ethics**

XoomFi has adopted a Code of Ethics (the “Code”) expressing the firm’s commitment to ethical conduct. The Code of Ethics is applicable to all employees of XoomFi and its subsidiaries and is administered on a group-wide basis. The Code is based on the principle that the officers, directors and employees of XoomFi owe a fiduciary duty to clients to conduct their personal securities transactions in a manner that does not interfere with client portfolio transactions or otherwise take advantage of their relationship with clients, and which reflects the principle referenced above. The Code of Ethics requires employees to pre-clear all personal securities transactions (with certain exceptions described below), political contributions, and outside business activities, and to report gifts and entertainment through the Chief Compliance Officer (CCO).

The Code generally requires employees to pre-clear their personal securities transactions. However, pre-clearance is not required for: (a) participation in an ongoing automatic investment plan or an issuer’s dividend reinvestment or stock purchase plan, (b) participation in any transaction over which the employee had no influence or control (mergers, inheritances, gifts, etc.), (c) share of registered open-end investment companies other than shares of investment companies advised or sub-advised by XoomFi or its affiliates.

The Code generally prohibits XoomFi employees from purchasing or selling individual securities for their own account that are owned in a XoomFi strategy, with a limited exception for *de minimis* trades. For purposes of the Code, XoomFi strategies do not include Custom Asset Allocation accounts or accounts in the Program managed by one of XoomFi’s affiliates. The exception allows employees to personally transact in securities that are owned in a XoomFi strategy, excluding municipal securities, if the security has a market cap greater than \$500 million and the value of the trade is \$5,000 or less. Employees are limited to a maximum of five such *de minimis* trades per month; *de minimis* bond trades may be consolidated within a calendar month, with approval. If an employee personally holds any securities that are also owned in a XoomFi strategy and such securities have a market cap of



\$500 million or less, XoomFi will place those holdings on “restricted status” and the employee may not sell the securities until XoomFi has exited the security for client accounts managed with a XoomFi strategy. The Code provides for “black-out periods” during which employees may not purchase or sell a stock that XoomFi is in the process of purchasing or selling for XoomFi strategies unless such trade qualifies for the *de minimis* exception. To monitor compliance with its Code of Ethics, the firm’s CCO receives duplicate brokerage statements and transaction confirmations for every employee with personal brokerage accounts, and all employees must certify on a quarterly basis that they have reported all relevant securities transactions in compliance with the Code of Ethics. The firm’s CCO reviews all pre-clearance requests, all initial, quarterly and annual disclosure certifications and the trading activities on behalf of all XoomFi Strategies with a view to ensuring that all employees are complying with the Code. The CCO periodically reviews confirmations from brokers to assure that all transactions effected for employees are effected in compliance with the Code.

The Code also requires employees to obtain pre-clearance for all political contributions and outside business activities. The firm’s CCO must approve any political contribution before it is made and any outside business activity before the employee has engaged in such activity. On an annual basis, employees must submit disclosure certifications regarding their political contributions and outside business activities.

The Code prohibits employees from accepting any gift or other item valued at more than \$100 from any client, competitor, or any person or entity that does business with or on behalf of any client. Employees also must report any gift or other item that is given to any client, competitor, vendor or any person or entity that does business with or on behalf of any client. In addition, employees must report accepted offers of entertainment from all such persons or entities. The Code requires employees to certify quarterly that they have reported all gifts and entertainment.

The Code permits the CCO to delegate duties under the Code to other members of the Legal and Compliance department. XoomFi also has an Insider Trading Policy that, along with the Code of Ethics, prohibits the use of material non-public information in a personal or professional capacity. XoomFi requires that all employees act in compliance with all applicable Federal and State regulations governing registered investment advisory practices. Any employee not in observance of the above may be subject to disciplinary action, up to and including termination. XoomFi has a compliance committee that meets throughout the year to, among other responsibilities, review employee accounts and personal trading, Code of Ethics exceptions, employee and director transactions in XoomFi stock, and the annual brokerage budget.

Upon request, XoomFi will provide a complete copy of its Code of Ethics to any client or prospective client. Clients can submit requests by contacting their XoomFi representative or the firm’s CCO. It is also posted on XoomFi’s website.

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## Participation or Interest in Client Transactions

### *Employee Investments*

Employees of XoomFi may invest in the same securities that the Program causes clients’ accounts to purchase, or may invest in different securities. These employees may also be Program clients. As a result, XoomFi employees may stand to benefit from clients’ interest or position in such securities. However, this benefit is limited as the Program only invests in liquid equities and options and client activity in those funds is unlikely to materially impact their price.

### *Margin and Lending*

The Program does not utilize leverage in the form of margin borrowing, or securities lending activities. Your Account will therefore not have any of these capabilities, although other accounts you have with the related custodian may and will not be affected by this limitation.



### *Personal Trading*

Our Code prohibits use of material non-public information and regulates personal securities trading by our employees. From time to time, employees may purchase securities for their personal accounts that the Program purchases for clients. These employees will not compete with clients in connection with such transactions and will not benefit from transactions placed on behalf of Program accounts. Employees' personal trading accounts are monitored for compliance with XoomFi's policies and procedures.

### *Trade Errors*

It is XoomFi's policy that if there is a trade error (as defined below) that causes your Account to incur a net loss, we will correct the error as needed in order to put your account in the position had the error not occurred. The goal of this error correction is to make you "whole," regardless of the cost to us. In addition to being responsible for any net loss that resulted from the error, if a trade error results in a net gain to your Account, we will retain that gain in a specially designated error account. For ERISA covered accounts, that gain is considered additional compensation for ERISA Section 408(b)(2) purposes. A "trade error" is one of the following:

- the purchase or sale of securities other than those directed to the relevant custodian or in a quantity other than the quantity indicated to the custodian;
- the purchase or sale of securities for the wrong client account; or
- a purchase of securities when it should have been a sale of securities, or vice versa.

Notwithstanding the foregoing, we will not be responsible or liable for any losses incurred due to any act or omission of any custodian or broker-dealer.

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## **Review of Accounts & Reporting**

### *Ongoing Monitoring*

We use our own proprietary software to monitor your Account on a daily basis and an algorithm will cause the account to be rebalanced periodically. This rebalancing is done in an effort to optimize returns for the intended level of risk inherent in your Account's prevailing allocation model. We may also rebalance your Account if you change your investment goals and objectives. Account rebalancing will occur without taking into consideration the realization of a taxable gain or a loss that may result for a taxable account.

We are responsible for periodically reviewing trading data and other automated reports from the relevant custodians and overseeing the trading activity they are performing for client accounts. Our reviews include a verification that actual trading activity is consistent with the trades we are directing to them. In addition, we may use independent third parties to review the capital markets assumptions that feed into our asset allocation models on a periodic basis.

### *Quarterly and Annual Review*

At least on a quarterly basis, or more frequently upon your request, a XoomFi representative will review your Account to verify that the investment allocations are in line with the asset allocation model targets, that your risk tolerance responses are still valid and that all reporting (e.g., performance, statements and tax documents) have been generated and provided to you. Separately, on an annual basis, we will contact you and direct you to update or confirm your investment goals and objectives (including your risk tolerance questionnaire responses) and other personal information through the Portal. You may also request that a XoomFi representative conduct a review of your Account or discuss or update any of your information on which the Program relies.

We review all active Program accounts at least annually to ensure they conform to XoomFi policies and procedures. In addition, we review a percentage of accounts on a random basis during the year for such purpose.

### *Client Review and Account Changes*



Outside of the Program's annual review and periodic performance reports, you may review and/or update your Account information and risk profile through the Portal anytime you consider doing so appropriate. We will monitor certain changes to your Account or withdrawal or transfer requests, which may require our approval. We suggest that you review your investment goals and objectives at least quarterly and update your information whenever your investment goals and objectives change significantly. Any updated information you provide may affect the Program's discretionary management of your Account. If you decide that the Program no longer suits your investing needs, you can terminate your Account and your advisory relationship with us, and assume the responsibility for the management of the assets in your Account. If you do so, we will not have any continued obligation to act or advise, as the case may be, with respect to you or your Account.

Because the Program is automated in nature, you must generally initiate any changes you wish to make to your Account. Your Account will not be assigned to a financial advisor who will review that account at your request and recommend changes that reflect the changing needs of your financial situation or investment objectives. This means, for example, that if you determine that your account would be better suited for a self-directed brokerage service in which you pay commissions per trade, you must initiate your Account's termination. Not having a dedicated financial advisor assigned to you helps us maintain the Program's efficiencies and keep the Wrap Fee Rate low relative to other non-technology-enabled advisory services. At the same time, it means that you have continuous access to your Account information and can directly take action without having to rely on a financial advisor to do so.

## Account Reporting

### *Periodic Reporting*

The Program will generate periodic reports for you through the Platform, which will include a summary of the asset allocation, Account performance by asset class and a summary of Account activity. These reports will be available quarterly by default or monthly upon your request. The relevant custodian will provide you with trade confirmations for Account transactions and/or monthly Account activity statements, which will be available through the Portal. You should review the statements available from the custodian and compare those statements to the reports that we provide you. If there is a discrepancy in those statements or no such statements are received on at least a quarterly basis, you should contact us immediately. By default, the Program's performance reports include only the Account we manage for you.

### *Tax Reporting*

The Custodian will provide you with the information that is necessary for Account tax reporting following the end of each calendar year. This information may be provided through the Portal, by e-mail or directly from the custodian.

## Financial Information

We do not require or solicit payment of fees per client and therefore are not required to include a balance sheet for our most recent fiscal year in this Brochure. To the best of our knowledge, we are not aware of any adverse financial condition that is reasonably likely to impair our ability to continuously meet our contractual commitments to Program clients. We are not the subject of any bankruptcy petition, nor have we been subject to one at any time during the past ten years.

## Privacy and Information Security

We are committed to protecting our clients' private information. To that end, we have instituted policies and procedures to ensure that this information is kept private and secure, including restricting internal access to non-



public personal information to those employees who need access in order to provide products or services and maintaining physical, electronic and procedural safeguards for information protection. We do not disclose any non-public personal information about clients or former clients to non-affiliated third parties except as required by or permitted by law or agreed to by the clients, or as otherwise disclosed in our Notice of Privacy Policy, a copy of which is available through the Portal. In order to provide the Program, we must share information with our third party technology service providers, the vendor providing third party account aggregation and others performing services in connection with the Program, as provided in the Agreement. These third parties are legally required to keep that information private and secure, and must otherwise comply with our privacy policies as a condition of their engagement to provide services to XoomFi.

### **Disaster Recovery and Business Continuity**

We have a disaster recovery and business continuity plan that provides detailed steps to mitigate and recover from the loss of office space, communications, services or key persons. That Plan covers natural disasters, severe weather, loss of utilities and man-made disasters such as terrorist attacks. Electronic files are backed up daily and archived offsite.

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### **Future Changes**

From time to time we may change certain aspects of the Program, including the asset allocation models and eligible securities and the terms and conditions of individual advisory accounts. We may also change our technology service providers, custodians or other third parties that provide services to us in connection with the Program. If any such changes are made, this Brochure will be updated as needed and an updated copy will be made available to current Program clients.