

**Blue Marble Investments, LLC**  
**CRD #141354**

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**Form ADV, Part 2A Appendix 1**  
**Wrap Fee Program Brochure**

March 25, 2022

This wrap fee program brochure provides information about the qualifications and business practices of Blue Marble Investments, LLC. If you have any questions about the contents of this brochure, please contact us at 805.595.1820. The information in this brochure has not been approved or verified by the United States Securities and Exchange Commission or by any state securities authority.

Any reference or use of the terms “registered investment adviser” or “registered,” does not imply that Blue Marble Investments, LLC or any person associated with Blue Marble Investments, LLC has achieved a certain level of skill or training.

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

## ITEM 2 - MATERIAL CHANGES

The purpose of this page is to inform you of any material changes since the last annual update to this wrap fee program brochure. If you are receiving this wrap fee program brochure for the first time, this section may not be relevant to you.

The material changes in this brochure from the last annual updating amendment to this Wrap Fee Program Brochure on 02/01/2021. Material changes relate to Blue Marble Investments, LLC ("Blue Marble")'s policies, practices or conflicts of interests only.

Please note that our new address effective November 1, 2019 is 1085 Higuera Street, Suite 120, San Luis Obispo, CA 93401. Our phone number has not changed.

Changes made on March 30, 2021:

- ☐ Blue Marble Investments, LLC has transitioned to registration with the United States Securities and Exchange Commission from its prior registration at the state level.

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## ITEM 4 - SERVICES, FEES AND COMPENSATION

Blue Marble Investments, LLC (“Blue Marble,” “we,” “our,” or “us”) is a privately owned limited liability company headquartered in San Luis Obispo, California. Blue Marble is registered as an investment adviser with the State of California.

We are a socially active investment firm that offers managed portfolios that promote social progress and environmental sustainability. Blue Marble registered as an independent investment adviser in 2007. From 2000 to 2007, Blue Marble’s manager provided socially responsible investment advice as Blue Marble Investments through another registered investment advisory firm. Arturo Tabuenca is Blue Marble’s Managing Member and principal owner.

### Blue Marble Wrap Fee Program

Blue Marble offers discretionary account management to clients through a wrap fee program featuring EarthFolio® model portfolios, as described in this brochure. Blue Marble is both the sponsor and currently the only portfolio manager for our wrap fee program.

In 2007, Blue Marble launched the EarthFolio® portfolio series. EarthFolio® is a collection of online professionally managed model portfolios that feature ESG screened (environmental, social, governance) mutual funds. The EarthFolio® model portfolios are designed to diversify the client’s assets and are available in a range of asset allocation strategies to address various investment objectives. Our current eight portfolios are: Conservative; Balanced; Growth; High Growth; Fossil Free Conservative; Fossil Free Balanced; Fossil Free Growth; and Fossil Free High Growth.

Prior to opening an account, a client will complete a questionnaire on the website, which once completed will suggest the most appropriate model based on the answers provided by the client that pertained to the client’s investment objectives, risk tolerance, and investment time horizon. If the client decides to open an account with Blue Marble, the client will complete an application and receive new account forms online, including an investment advisory agreement and Blue Marble’s Form ADV Part 2 brochure.

### Fees for the Program

Clients participating in our wrap fee program pay a single bundled fee to Blue Marble for our advisory services and commissions on transactions instead of paying these fees separately. Clients’ EarthFolio® accounts are charged an annual management fee of 0.50% of assets under management. Blue Marble does not negotiate fees on Earthfolio portfolios.

The fees described include transaction costs for securities transactions, but do not include other fees charged by the custodian, such as wire transfer and electronic fund fees, handling, or transfer fees. In addition, if a client transfers assets in kind to an EarthFolio® account, the client will pay the initial transaction costs to liquidate the portfolio. Clients in the program ultimately bear these costs in addition to the wrap fees charged directly to the client.

Participating in the wrap fee program may cost a client more or less than purchasing investment management and trading services separately. Factors that may affect the cost of a wrap fee program relative to other compensation arrangements include: the advisory fees the client would pay for Blue Marble’s investment management services if the fees were un- bundled; the transaction and



execution fees the custodian would charge to the client under a non-wrap fee arrangement, and the frequency and volume of trading activity in the client's account. Under the terms of this wrap fee program, Blue Marble will pay trading and execution costs imposed by the custodian for transactions in client accounts. This arrangement may present a potential conflict of interest for Blue Marble, as Blue Marble has a financial disincentive to engage in active trading. Blue Marble generally limits our recommendations to no-load, load waived, and no-transaction fee mutual funds that incur no brokerage commissions. Due to the breadth of such funds available, we believe that this does not meaningfully restrict our portfolio management options and mitigates the conflict.

## **Billing Method**

Management fees will be billed quarterly in arrears and will be deducted from the account the following quarter. The initial fee for a new account will be pro-rated for the number of days in the billing period that the account is under Blue Marble's management. Initial and subsequent fees will be based on the account's market value as of the close of business on the last business day of the billing period for which the fee is due.

When it deducts fees directly from client accounts at a selected custodian, Blue Marble will be deemed to have limited custody of client's assets and must have written authorization from the client to do so. Clients will receive all account statements and billing invoices that are required in each jurisdiction, and they should carefully review those statements for accuracy. Client invoices will include the fee, the formula used to calculate the fee, the fee calculation itself, the time period covered by the fee, the amount of assets \$ment, and the name of the custodian(s).

## **Termination of Agreements**

Per the terms of the advisory agreement, clients may terminate the agreement without penalty, and full refund of Blue Marble's fees, within five business days of signing the advisory agreement, thereafter either party may terminate the agreement upon thirty (30) days' notice to the other party. Notice may be given by mail, telephone or email. Upon notice of termination, Blue Marble will calculate the final fees due for services provided through the effective date of termination. Any advisory fees that we have earned for the services provided will be due upon termination. If the final fees are not debited from the client's account, we will send the client an invoice showing the advisory fees due for services rendered and not yet paid and client may make payment via personal check or wire transfer.

For contracts terminated over 5 business days after signing the advisory contract, terminations will not affect liabilities or obligations from transactions initiated in client accounts prior to termination. In the event the client terminates the investment advisory agreement, Blue Marble will not liquidate any securities in the account. In the event of client's death or disability, Blue Marble will continue management of the account until an authorized party notifies us of client's death or disability and gives us alternative instructions.

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

Clients in Blue Marble's wrap fee program include individuals (including high net worth individuals, trusts and estates, and individual participants of retirement plans). In addition, we offer advisory services to charitable organizations and businesses.

## **Account Requirements**

The minimum account size for accounts invested according to the EarthFolio® models is \$25,000. Accounts below this minimum may be accepted on an individual basis at Blue Marble's discretion.

## **ITEM 6 - PORTFOLIO MANAGER SELECTION AND EVALUATION**

### **Portfolio Management and Performance Calculation**

Blue Marble is the sponsor and currently the only portfolio manager of our wrap fee program. This may be a conflict of interest in that we do not review or recommend outside portfolio managers who may charge the same or lower fees than our firm for similar services. However, Blue Marble addresses this conflict by acting in its clients' best interest consistent with its fiduciary duty as sponsor and portfolio manager of the wrap fee program.

Model performance for the EarthFolio® model portfolios is calculated by a third party service provider, Longs Peak Advisory Services, LLC ("Longs Peak"). Longs Peak obtains trade information from Blue Marble when changes are made to the models. Each month, prices and dividends are downloaded from a public source for each holding within the models.

New portfolio values are determined each month based on this updated price and dividend information. Time-weighted returns are calculated using these updated market values.

Once the monthly time-weighted returns are calculated, the monthly returns are geometrically linked to calculate quarterly and annual returns. Three-year, five-year, ten-year, and since inception annualized returns are also calculated and graphs are created demonstrating the since inception growth of \$50,000.

### **Advisory Business**

This wrap fee program brochure describes the services we provide to clients of the Blue Marble wrap fee program and our investment and trading policies as they relate to wrap fee program clients. In addition to accounts managed according to the EarthFolio® model portfolios, Blue Marble accepts new clients that want a more customized portfolio and do not want an EarthFolio® account. Blue Marble has also entered into licensing agreements with Envestnet Asset Management Inc. ("Envestnet"), under which Blue Marble will provide Envestnet with our investment models. The other services Blue Marble offers are described in more detail in our Form ADV Part 2A brochure.

### **Performance-Based Fees and Side-by-Side Management**

Blue Marble does not charge performance-based fees or other fees based on a share of capital gains on or capital appreciation of the assets of a client.

### **Assets Under Management**

As of December 2021, Blue Marble's discretionary assets under management totaled \$ 134,501,416.00 and non-discretionary assets under management totaled \$ 0.00.

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

### *EarthFolio® Model Portfolios*

The EarthFolio® models are socially and environmentally screened portfolios designed to provide a diversified asset allocation to clients based on the client's investment objectives and risk tolerance.

EarthFolio® comes in a range of portfolio styles, each designed to help match the needs of varying investors based on their individual goals, risk tolerances, and time horizons.

### *The EarthFolio® Investment Process*

Blue Marble follows a multi-step process in determining the securities to include in the model portfolios:

*Step 1 - Fund Universe:* EarthFolio® invests exclusively in mutual funds categorized as Sustainable or Socially Responsible which are screened for environmental, social and corporate governance (ESG)

*Step 2 - Asset Allocation:* EarthFolio® models are strategically allocated across a range of portfolio objectives designed to maximize long-term returns and lower risk.

*Step 3 - Fund Selection:* Final mutual fund selections are made based on relative quality and performance in areas such as capitalization, style consistency, operating expenses, and passive management.

*Step 4 - Portfolio Construction:* Portfolios are implemented based on client's responses to the investment questionnaire identifying their investment goals and risk tolerances.

*Step 5 - Management and Monitoring:* Individual asset allocations are periodically rebalanced to their original portfolio objectives and underlying mutual funds are monitored relative to peer performance and benchmarks.

Blue Marble monitors the performance of each holding against a stated benchmark. Additionally, active rebalancing is employed by Blue Marble in an effort to maintain the portfolio's integrity, and enhance its ability to pursue long-term growth.

### *EarthFolio®'s Integration of ESG Criteria*

EarthFolio® models are globally diversified and invest in a broad range of equity funds, fixed-income funds, and money market funds. Mutual funds selected for EarthFolio® must pass rigorous financial screens, and just as importantly, invest in companies committed to ethical practices. Ethical practices fall into three broad categories: the environment, social progress, and corporate governance.

This type of investing is classified as Socially Responsible Investing, Sustainable Investing or ESG Investing and is the hallmark of EarthFolio®. Some of the most common ESG screens employed include:

Conservation  
Clean Tech  
Equality and Diversity  
Human Rights  
Fair Labor  
Animal Welfare  
Non-Violence  
Corporate Governance  
Healthy Living Community  
Development

## **Investing Involves Risk**

Investing in securities always involves the risk that you will lose money. Before investing in the securities markets, clients should be prepared to bear that risk. Over time, a client's account value will fluctuate. At any time, your assets may be worth more or less than the amount you invested. Blue Marble makes no guarantees or promises that our market analysis will be accurate or the investment strategies we use will be successful.

Clients investing in an EarthFolio® account will have a model portfolio recommended to them based on their investment profile as determined by an interactive web-based questionnaire. Clients may decide to invest in a portfolio different than the one recommended; however, clients should understand that if they choose a model that was not recommended, the model may not be as appropriate for the client (may have higher risk or lower return potential) as the model recommended, based on the client's time horizon and risk tolerance.

## **Specific Security Risks**

### *General Risks of Owning Securities*

The prices of securities held in client accounts and the income they generate may decline in response to certain events taking place around the world. These include events directly involving the issuers of securities held as underlying assets of mutual funds in a client's account, conditions affecting the general economy, and overall market changes. Other contributing factors include local, regional, or global political, social, or economic instability and governmental or governmental agency responses to economic conditions. Finally, currency, interest rate, and commodity price fluctuations may also affect security prices and income.

### *Mutual Funds (Open-end Investment Company)*

A mutual fund is a company that pools money from many investors and invests the money in stocks, bonds, short-term money-market instruments, other securities or assets, or some combination of these investments. The portfolio of the fund consists of the combined holdings it owns. Each share represents an investor's proportionate ownership of the fund's holdings and the income those holdings generate. The price that investors pay for mutual fund shares is the fund's per share net asset value (NAV) plus any



shareholder fees that the fund imposes at the time of purchase (such as sales loads).

Mutual funds have benefits such as professional management, diversification, affordability, and liquidity. However, they also have features that some investors might view as disadvantages:

#### *Costs Despite Negative Returns*

Investors must pay management costs and internal fund expenses regardless of how the fund performs. Depending on the timing of their investment, investors may also have to pay taxes on any capital gains distribution they receive. This includes instances where the fund went on to perform poorly after purchasing shares.

#### *Lack of Control*

Investors typically cannot ascertain the exact make-up of a fund's portfolio at any given time, nor can they directly influence which securities the fund manager buys and sells or the timing of those trades.

#### *Price Uncertainty*

With an individual stock, investors can obtain real-time (or close to real-time) pricing information with relative ease by checking financial websites or by calling a broker or your investment adviser. Investors can also monitor how a stock's price changes from hour to hour—or even second to second. By contrast, with a mutual fund, the price at which an investor purchases or redeems shares will typically depend on the fund's NAV, which the fund might not calculate until many hours after the investor placed the order. In general, mutual funds must calculate their NAV at least once every business day, typically after the major U.S. exchanges close.

#### *Different Types of Funds*

When it comes to investing in mutual funds, investors have literally thousands of choices. Most mutual funds fall into one of three main categories; money market funds, bond funds (also called "fixed income" funds), and stock funds (also called "equity" funds). Each type has different features and different risks and rewards. Generally, the higher the potential return, the higher the risk of loss.

#### *Money Market Funds*

Money market funds have relatively low risks, compared to other mutual funds (and most other investments). By law, they can invest in only certain high quality, short-term investments issued by the U.S. Government, U.S. and foreign corporations, state and local governments, and bank issued certificates of deposit. Money market funds try to keep their net asset value (NAV), which represents the value of one share in a fund, at a stable \$1.00 per share. However, the NAV may fall below \$1.00 if the fund's investments perform poorly. Investor losses have been rare, but they are possible. Money market funds pay dividends that generally reflect short-term interest rates, and historically the returns for money market funds have been lower than for either bond or stock funds. That is why "inflation risk," the risk that inflation will outpace and erode investment returns over time, can be a potential concern for investors in money market funds. Money Market Funds are only used minimally within the active management of our portfolios.

#### *Stock Funds*

Although a stock fund's value can rise and fall quickly (and dramatically) over the short term, historically stocks have performed better over the long term than other types of investments. This is true for corporate bonds, government bonds, and treasury securities. Overall "market risk" poses the greatest potential danger for investors in stocks funds. Stock prices can fluctuate for a broad range of reasons—



such as the overall strength of the economy or demand for particular products or services. Not all stock funds are the same. For example:

#### *Growth Funds*

Growth funds focus on stocks that may or may not pay a regular dividend but have the potential for large capital gains. These funds favor companies expected to grow earnings, which could result in stock prices rising faster than the economy, and may be smaller and less seasoned companies. The smaller and less seasoned companies that may be in a growth fund have a greater risk of price volatility. Growth stocks, which can be priced on future expectations rather than current results, may decline substantially when expectations are not met or general market conditions weaken.

#### *Equity Income Funds*

Equity income funds stress current income over growth, and may invest in stocks that pay regular dividends. These funds are subject to dividend payout risk, which is the possibility that a number of the companies in which the fund invests will reduce or eliminate the dividend on the securities held by the fund.

#### *Small Cap Funds*

Funds that invest in stocks of small companies involve additional risks. Smaller companies typically have higher risk of failure, and are not as established as larger blue-chip companies are. Historically, smaller- company stocks have experienced a greater degree of market volatility than the overall market average.

#### *Mid Cap Funds*

Funds that invest in companies with mid-range market capitalizations involve additional risks. The securities of these companies may be more volatile and less liquid than the securities of larger companies.

#### *Index Funds*

Index funds aim to achieve the same return as a particular market index, such as the S&P 500 Composite Stock Price Index or the Calvert U.S. Large Cap Core Index, by investing in all—or perhaps a representative sample—of the companies included in an index.

#### *International Funds*

International investments are subject to additional risks, including currency fluctuation, political instability, and potential illiquid markets.

#### *Emerging Market Funds*

Funds that invest in foreign securities of smaller, less-developed countries involve special additional risks. These risks include, but are not limited to currency risk, political risk and risk associated with varying accounting standards. Investing in emerging markets may accentuate these risks.

#### *Sector Funds*

Sector funds may specialize in a particular industry segment, such as technology or consumer products stocks. Funds that invest exclusively in one sector or industry involve additional risks. The lack of industry diversification subjects the investor to increased industry-specific risk.

#### *Bond Funds*

Bond funds generally have higher risks than money market funds, largely because they typically pursue



strategies aimed at producing higher yields. Unlike money market funds, the SEC's rules do not restrict bond funds to high quality or short-term investments. Because there are many different types of bonds, bond funds can vary dramatically in their risks and rewards.

Some of the risks associated with bond funds include:

*Credit Risk*

There is a possibility that companies or other issuers may fail to pay their debts (including the debt owed to holders of their bonds). Consequently, this affects mutual funds that hold these bonds. Credit risk is less of a factor for bond funds that invest in insured bonds or U.S. Treasury Bonds. By contrast, those that invest in the bonds of companies with poor credit ratings generally will be subject to higher risk.

### *Interest Rate Risk*

There is a risk that the market value of the bonds will go down when interest rates go up. Because of this, investors can lose money in any bond fund, including those that invest only in insured bonds or U.S. Treasury Bonds. Funds that invest in longer-term bonds tend to have higher interest rate risk.

### *Prepayment Risk*

Issuers may choose to pay off debt earlier than the stated maturity date on a bond. For example, if interest rates fall, a bond issuer may decide to “retire” its debt and issue new bonds that pay a lower rate. When this happens, the fund may not be able to reinvest the proceeds in an investment with as high a return or yield.

### *TIPS Funds*

Treasury Inflation Protected Securities (TIPS) are inflation-indexed securities structured to remove inflation risk. TIPS are indexed to an inflationary gauge to protect investors from the decline in the purchasing power of their money. The value of TIPS will increase with inflation but will decrease with deflation.

### *Tax Consequences of Mutual Funds*

When investors buy and hold an individual stock or bond, the investor must pay income tax each year on the dividends or interest the investor receives. However, the investor will not have to pay any capital gains tax until the investor actually sells and makes a profit. Mutual funds are different. When an investor buys and holds mutual fund shares, the investor will owe income tax on any ordinary dividends in the year the investor receives or reinvests them. Moreover, in addition to owing taxes on any personal capital gains when the investor sells shares, the investor may have to pay taxes each year on the fund’s capital gains. That is because the law requires mutual funds to distribute capital gains to shareholders if they sell securities for a profit that cannot be offset by a loss.

### Cash and Cash Equivalents

Cash and cash equivalents are the most liquid of investments. Cash and cash equivalents are considered very low-risk investments meaning, there is little risk of losing the principal investment. Typically, low risk also means low return and the interest an investor can earn on this type of investment is low relative to other types of investing vehicles. Cash and cash equivalents are used minimally within the active management of our portfolios.

## **Voting Client Securities**

### Proxy Voting

Blue Marble does not accept or have the authority to vote client securities. In the rare event that a proxy is issued, clients may call us if they have questions about a particular solicitation. Blue Marble will not be deemed to have proxy-voting authority solely as a result of providing advice or information about a particular proxy vote to a client. Clients will receive their proxies or other solicitations directly from their custodian or a transfer agent.

### Class Actions

Blue Marble does not instruct or give advice to clients on whether or not to participate as a member of class action lawsuits and will not automatically file claims on the client's behalf. However, if a client notifies us that they wish to participate in a class action, we will provide the client with any transaction information pertaining to the client's account needed for the client to file a proof of claim in a class action.

## **ITEM 7 - CLIENT INFORMATION PROVIDED TO PORTFOLIO MANAGERS**

Clients investing in EarthFolio® accounts will complete a web-based interactive questionnaire which contains questions about the investor's time horizon and risk tolerance. The questionnaire is designed to help the investor determine his/her appropriate investment profile based on the answers he/she provides and to recommend the EarthFolio® portfolio that appears to best match his/her appropriate profile. The client may choose not to invest in the recommended model portfolio. The client's account will be managed according to the selected model portfolio. It is the client's responsibility to keep Blue Marble informed of any changes to their investment objectives.

## **ITEM 8 - CLIENT CONTACT WITH PORTFOLIO MANAGERS**

We have no restrictions on clients' ability to contact and consult with Blue Marble.

## **ITEM 9 - ADDITIONAL INFORMATION**

### **Disciplinary Information**

Blue Marble and our personnel seek to maintain the highest level of business professionalism, integrity, and ethics. Blue Marble does not have any disciplinary information to disclose.

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

Arturo Tabuenca, Blue Marble's Portfolio Manager, is also a licensed insurance agent and a registered securities representative of Purshe Kaplan Sterling Investments ("PKS"), a non-affiliated registered broker-dealer and a member of the Financial Industry Regulation Authority ("FINRA"). Mr. Tabuenca's activities with PKS represent less than 5% of his time and are generally only conducted upon client request or for products outside the scope of Blue Marble's socially responsible objective. A conflict of interest exists to the extent that Mr. Tabuenca receives commissions and/or trailing service fees related to the sale of commissionable products, as this practice gives him an incentive to recommend products based on the compensation received, rather than on the client's needs. Therefore, clients are advised that the client is under no obligation to act on these recommendations or purchase commissionable products through Mr. Tabuenca as a registered representative. In all cases, insurance commissions will be fully disclosed to the client. Commissions from these products are separate from any fees that Blue Marble receives for advisory services. Clients have the right to utilize or decline to utilize the services of any representative of Blue Marble in their outside capacity and have the right to purchase services or products recommended by Blue Marble through another provider.



Elena Perry is a registered representative. From time to time, she will offer clients advice or products from this activity. Clients should be aware that these services pay a commission and involve a possible conflict of interest, as commissionable products can conflict with the fiduciary duties of a registered investment adviser. BLUE MARBLE INVESTMENTS, LLC always acts in the best interest of the client; including in the sale of commissionable products to advisory clients. Clients are in no way required to utilize the services any representative of BLUE MARBLE INVESTMENTS, LLC in such individual's outside capacity.

## **Codes of Ethics, Participation or Interest in Client Transactions and Personal Trading**

### *Code of Ethics*

Blue Marble believes that we owe clients the highest level of trust and fair dealing. As part of our fiduciary duty, we place the interests of our clients ahead of the interests of the firm and our personnel. Blue Marble and its personnel do not have a material financial interest in recommendations made to client accounts. We have adopted a Code of Ethics that emphasizes the high standards of conduct that Blue Marble seeks to observe. Blue Marble's personnel are required to conduct themselves with integrity at all times and follow the principles and policies detailed in our Code of Ethics.

Blue Marble's Code of Ethics attempts to address specific conflicts of interest that either we have identified or that could likely arise. Our personnel are required to follow clear guidelines from the Code of Ethics in areas such as gifts and entertainment, other business activities, prohibitions of insider trading, and adherence to applicable state and federal securities laws. Blue Marble will provide a complete copy of the Code of Ethics to any client or prospective client upon request.

### *Personal Trading Practices*

Individuals who formulate investment advice for clients, or who have access to nonpublic information regarding any clients' purchase or sale of securities, are subject to Blue Marble's personal trading policies. Blue Marble and our personnel may purchase or sell securities for ourselves that we also recommend to clients. This includes related securities (e.g., warrants, options, or futures). This presents a conflict of interest as we have an incentive to favor our personal trades over client transactions or use the information about the transactions we intend to make for clients to our personal benefit. Our policies to address these conflicts include the following:

1. As a fiduciary to our clients, we always seek to put our clients' interests first. Clients receive the opportunity to act on investment recommendations prior to and in preference to accounts of Blue Marble and our personnel.
2. Blue Marble prohibits trading in a manner that takes personal advantage of our knowledge of client transactions or price movements caused by client transactions.
3. At times, we might wish to trade in the same security that we plan to trade for a client. For mutual funds, if we traded on the same day as clients, we would receive the same price, since mutual funds, are issued and redeemed once daily at the fund's net asset value ("NAV"). For stocks or other securities where prices fluctuate during the day, we will place our own transactions after we place client trades. Since prices fluctuate, this does not guarantee that clients will get better prices than our personnel.



Because these policies are intended to protect the interests of clients, we may make exceptions where we feel clients would not be harmed. Blue Marble maintains required personal securities transaction records.

## **Brokerage Practices**

All Blue Marble client accounts are held at an independent qualified custodian (generally a broker-dealer, bank, trust company, or other financial institution). Blue Marble requires clients to open an account with TD Ameritrade Institutional, a division of TD Ameritrade, Inc. Member FINRA/SIPC/NFA (“TD Ameritrade”), a registered broker-dealer. The client will enter into a separate agreement with TD Ameritrade to custody the assets. Blue Marble is independently owned and operated and is not affiliated with TD Ameritrade.

By requiring clients to use TD Ameritrade, Blue Marble believes we may be able to more effectively manage the client’s portfolio, achieve favorable execution of client transactions, and overall lower the costs to the portfolio. Clients may not direct Blue Marble to place trades through any outside brokers. Not all investment advisers require their clients to trade through specific brokerage firms.

### *Factors Considered in Selecting Broker-Dealers for Client Transactions*

Blue Marble considers several factors in recommending TD Ameritrade to clients, including selection of mutual funds with no transaction fees, technology interface, execution, pricing, reasonableness of fees, service, stability, and history. In addition to SIPC coverage, TD Ameritrade provides each client with \$149.5 million of protection for securities and \$2 million of cash protection through supplemental coverage provided by London insurers. Blue Marble may also take into consideration the availability of the products and services we receive or that TD Ameritrade offers that assist us in managing and administering clients’ accounts.

TD Ameritrade provides us with access to their institutional trading and custody services, which are typically not available to TD Ameritrade retail investors. TD Ameritrade’s services include brokerage, custody, research and access to mutual funds and other investments that are otherwise generally available only to institutional investors or would require a significantly higher minimum initial investment. TD Ameritrade does not generally charge clients separately for custody but is compensated by account holders through transaction fees and other expenses related to securities trades that are executed through TD Ameritrade.

### *Research and Other Benefits*

Blue Marble participates in the institutional advisor program (the “Program”) offered by TD Ameritrade. TD Ameritrade offers to independent investment advisors services, which include custody of securities, trade execution, clearance and settlement of transactions. Blue Marble receives some benefits from TD Ameritrade through our participation in the Program.

There is no direct link between Blue Marble’s participation in the program and the investment advice we gives to our clients, although Blue Marble receives economic benefits through our participation in the program that are typically not available to TD Ameritrade retail investors. These benefits include the following products and services (provided without cost or at a discount): receipt of duplicate client statements and confirmations; research related products and tools; consulting services; access to a trading desk serving Advisor participants; access to block trading (which provides the ability to aggregate securities transactions for execution and then allocate the appropriate shares to client



accounts); the ability to have advisory fees deducted directly from client accounts; access to an electronic communications network for client order entry and account information; access to mutual funds with no transaction fees and to certain institutional money managers; and discounts on compliance, marketing, research, technology, and practice management products or services provided to Blue Marble by third party vendors.

Some of the products and services made available by TD Ameritrade through the program may benefit Blue Marble but may not benefit client accounts. These products or services may assist Blue Marble in managing and administering client accounts, including accounts not maintained at TD Ameritrade. Other services made available by TD Ameritrade are intended to help Blue Marble manage and further develop our business enterprise. The benefits received by Blue Marble or our personnel through participation in the program do not depend on the amount of brokerage transactions directed to TD Ameritrade. As part of our fiduciary duties to clients, Blue Marble endeavors at all times to put the interests of our clients first. Clients should be aware, however, that the receipt of economic benefits by Blue Marble or our related persons in and of itself creates a potential conflict of interest and may indirectly influence the Blue Marble's choice of TD Ameritrade for custody and brokerage services.

#### Account Reviews

Accounts are reviewed on a regular basis by the Portfolio Manager to determine their conformity with client investment objectives, guidelines and Blue Marble's investment strategy. The review process is based on a variety of factors, which include but are not limited to: each model's investment strategy, a client's stated investment objectives, the economic environment, outlook for the securities markets and the merits of the securities and/or mutual funds in which the accounts are invested. Each client account will be reviewed at least quarterly. In addition, a special review of an account may be triggered by one or more of the following: 1) a change in the client's investment objectives, guidelines and/or financial situation communicated by the client, 2) change in diversification, 3) tax considerations, 4) cash added or withdrawn from account, and 5) purchase or sale of a security or mutual fund in the account.

#### Account Reporting

Each client receives a written statement from the custodian that includes an accounting of all holdings and transactions in the account for the reporting period. Blue Marble does not provide additional reporting on the accounts we manage.

### **Client Referrals and Other Compensation**

#### Support Products and Services

We receive an economic benefit from TD Ameritrade in the form of the support products and services they make available to us and other independent investment advisors whose clients maintain their accounts at TD Ameritrade. These products and services, how they benefit us, and the related conflicts of interest are described in our Form ADV Part 2A brochure. We do not base particular investment advice, such as buying particular securities for our clients, on the availability of TD Ameritrade's products and services to us. Other than the benefits from TD Ameritrade discussed immediately above, we do not receive any compensation from third parties for advisory services we provide to clients and we do not pay any third party for referrals.

## Financial Information

Registered investment advisers are required in this item to provide clients with certain financial information or disclosures about the firm's financial condition. Blue Marble does not require the prepayment of more than \$1,200 in fees per client, six months or more in advance, and does not foresee any financial condition that is reasonably likely to impair our ability to meet contractual commitments to clients. Blue Marble Investments has never had a bankruptcy petition.