

# Borderless Investment Advisors, LLC

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## Form ADV Part 2A: Disclosure Brochure

September 22, 2022

This disclosure brochure provides information about the qualifications and business practices of Borderless Investment Advisors, LLC (CRD #318077) (“Borderless” or the “Adviser”). If you have any questions about the contents of this disclosure brochure, please contact us via email at [tem@stockal.com](mailto:tem@stockal.com). The information in this disclosure brochure has not been approved or verified by the United States Securities and Exchange Commission (“SEC”) or by any state securities authority.

Borderless is a registered investment adviser. The registration of an investment adviser does not imply any level of skill or training. The oral and written communications of an investment adviser provide you with information that you may use to determine whether to hire or retain such adviser.

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

## Item 2 – Material Changes

This document is the initial Part 2A of Form ADV: Firm Brochure (the “Brochure”) for Borderless.

Pursuant to the SEC’s requirements and rules, Clients will receive a summary of any material changes to this Brochure within one hundred twenty days of the close of Borderless’ fiscal year. Since Borderless is a newly registered investment adviser and this is its first Brochure, there are no material changes to report.

The Brochure may be requested at any time, without charge, by contacting Borderless at [tem@stockal.com](mailto:tem@stockal.com) or by visiting the website at <https://borderlessinvestmentadvisors.com>.

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## Item 4 – Advisory Business

### A. Description of the Advisory Firm

Borderless was founded on December 3, 2021. Additional information about Borderless is available on the SEC’s website at [www.adviserinfo.sec.gov](http://www.adviserinfo.sec.gov). The CRD number for Borderless is #318077. The SEC’s website also provides information about any persons affiliated with Borderless who are registered, or are required to be registered, as investment adviser representatives of Borderless.

Borderless is a privately held company headquartered in Bangalore, Karnataka, India. Borderless is wholly-owned by Borderless Investing Inc., whose principal shareholders are Sitashwa Srivastava, Co-Chief Executive Officer and Vinay Bharathwaj, Co-Chief Executive Officer (together, the “Principals”). Tem Nathan will initially serve as Borderless’ Chief Compliance Officer (“CCO”). Information about Borderless’ organizational and ownership structure is provided on Part 1 of Borderless’ Form ADV.

Borderless is a registered investment adviser (“RIA”) which offers non-discretionary advisory services to its advisory clients (each a “Client,” and collectively, “Clients”) through an online web-based platform (the “Platform”). This business model, also referred to as a “robo-adviser” model, makes use of algorithms to automate (or to assist in making) investment recommendations. Clients create and manage their investments with limited, if any, human interaction.

Borderless operates an investment Platform available at <https://borderlessinvestmentadvisors.com> (the “Website”). When a Client opens an account (“Investment Account”) with Borderless, they will be able to access the investment Platform through the Website. The Platform provides Clients with investment advice in the form of a portfolio recommendation (“Portfolio Recommendation”) designed to meet each Client’s self-identified financial goals. The investments recommended through the Platform include only exchange traded funds (“ETFs”) and publicly traded equities. Advisory services are delivered solely through the Platform. Borderless does not provide investment advice in person or over the phone or in any manner other than through the Platform. Additional information about Borderless’ products and services is provided in Borderless’ Form ADV Part 1. Borderless encourages visiting the Website for additional information.

### B. Description of the Advisory Services

#### ***Equities and ETF Portfolio Recommendations***

Borderless provides purely non-discretionary advisory services through the Platform. The Platform makes a Portfolio Recommendation to meet each Client’s self-identified financial goals based on a Suitability Questionnaire (“Suitability Questionnaire”) completed by each Client. The Platform currently relies solely on questions relating to suitability (i.e., age, income and liquid net worth, investment objectives, investment time horizon, and risk tolerance) in making a Portfolio Recommendation, and these questions are not weighted equally. Clients should understand Borderless’ Portfolio Recommendation relies upon the information provided by each Client, and Borderless does not capture any additional information not covered in the Suitability Questionnaire in making a risk assessment and providing investment advice.

Prior to implementation, Borderless, tested all algorithms to confirm that the results are consistent with expected outcomes. Borderless will also conduct back-testing to ensure the algorithms continue to produce the intended results. Testing will be conducted on a periodic basis. Borderless is responsible for maintaining the algorithms. However, Borderless does not override the algorithm to provide alternative recommendations to any particular Client, whether based on any additional criteria provided by the Client, market and/or economic conditions, or otherwise. Clients should be aware that the algorithms rely upon

their answers to questions relating to their risk tolerance, investment objectives, and investment time horizon provided through the Suitability Questionnaire, and that such answers serve as inputs to the algorithms.

Borderless expects to implement its Portfolio Recommendations for Clients' Investment Accounts beginning in the first quarter of 2023. When implementing Portfolio Recommendations for Client Investment Accounts, the Portfolio Recommendation will be rebalanced on an ongoing basis, as determined by Borderless. If the holdings of a Client's Investment Account significantly deviate from the existing target asset allocation, Borderless will initiate a rebalancing to bring the holdings within an acceptable range of the target asset allocation. The rebalancing process is not limited to the number or frequency of rebalances and is driven by Borderless' decisions on the composition and holdings. As a result, there is a possibility that Borderless may sell overrepresented equities and ETFs and use the proceeds to buy underrepresented equities and ETFs to bring portfolios towards their target allocation without taking into account individual tax consequences or market circumstances.

As set forth above, Borderless expects to implement its Portfolio Recommendations for Clients' Investment Accounts beginning in the first quarter of 2023. When implementing Portfolio Recommendations for Client Investment Accounts, the investments in each Client's Investment Account will be held in a separate account in the name of the Client at a to-be-determined independent custodian (the "Custodian"), and not with Borderless. All Investment Accounts managed through the Platform are required to use the Custodian selected by Borderless. Each account agreement with the Custodian will grant Borderless the authority to manage each Client's Investment Account on a non-discretionary basis, seeking a Client's authorization for each trade except for rebalancing in the same portfolio, where Borderless maintains discretionary authority to complete the rebalance without Clients' prior approval.

Borderless does not participate in wrap fee programs.

### C. Assets Under Management

As of the date of this filing, Borderless does not manage any client assets.

## Item 5 – Fees and Compensation

### A. Fees for Advisory Services

As set forth above, Borderless expects to implement its Portfolio Recommendations for Clients' Investment Accounts beginning in the first quarter of 2023. Borderless will charge a 1.00% annual fee, charged monthly in arrears based on the average daily balance of the Clients' Investment Accounts at the Custodian. For the initial period of services, the fees are calculated on a pro rata basis. Upon termination, fees are prorated through the date of termination and any remaining balance is charged or refunded to the Client, as appropriate.

### B. Fee Deduction

Clients will authorize Borderless to instruct the Custodian to charge their Investment Accounts for the amount of its fees and to remit such fees to Borderless. Clients further authorize Borderless to, at its sole discretion, sell securities in their Investment Accounts to generate free cash in order to deduct its fees.

### C. Fees Charged by Financial Institutions

The issuer of some of the securities or products recommended for Clients, such as ETFs, may charge product fees that affect Clients. Borderless does not charge these fees to Clients and does not benefit directly or indirectly from any such fees. An ETF typically includes embedded expenses that may reduce the ETF's net asset value, and therefore directly affect the ETF's performance and indirectly affect a Client's portfolio performance or an index benchmark comparison. Clients should review all fees charged to understand the total amount of fees they will pay. A Client may review all fees for which he/she is independently responsible on the Platform.

In connection with the Borderless' non-discretionary services, and any purchase or sales by a Client, Clients may incur fees and/or expenses separate from the Borderless' services. These additional fees and charges may include transaction and execution charges and the fees and/or expenses charged by any custodian, and other transaction-related costs, electronic fund and wire fees, and any other fees that reasonably may be borne by a brokerage account. These fees and/or expenses are separate from and in addition to fees that Borderless may charge, if any. These fees are typically charged by and paid to the broker/dealer or custodian from the Clients' Investment Accounts. Borderless does not receive, directly or indirectly, any portion of these fees that may be charged to the Client.

In addition, none of the Borderless' employees receive (directly or indirectly) any compensation from the purchase or sale of securities or investments for Clients apart from the advisory fees described above.

## **Item 6 – Performance-Based Fees and Side-by-Side Management**

Performance based fees are fees based on a share of capital gains on or capital appreciation of the assets of a Client. Side-by-side management refers to the practice of managing accounts that are charged performance-based fees while at the same time managing accounts that are not charged performance based fees. Borderless' fees are calculated as described in Item 5 – “Fees and Compensation” sections above and are not charged on the basis of a share of capital gains upon, or capital appreciation of, the securities in Clients' Investment Accounts. Borderless does not charge any performance-based fees.

## **Item 7 – Types of Clients**

Borderless' Platform is intended for use by individual investors.

Borderless does not currently require a minimum amount in order to open an account. Borderless reserves the right to impose a minimum or maximum account size or value in the future at its discretion. Fees are not negotiable. If and when Borderless chooses to impose a minimum or maximum account size, Borderless will provide written notice to all Clients by amending this Brochure.

Borderless further reserves the right to require additional disclosure information from Clients with Investment Accounts in excess of \$100,000.



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

Borderless conducts a suitability determination via the Suitability Questionnaire. The Suitability Questionnaire will include age, financial need, annual income and net worth, investment objectives, investment time horizon and risk tolerance. Upon such determination, the Client is presented with a Portfolio Recommendation, created by Borderless, which the Client may select for purchase.

Through qualitative and quantitative due diligence, Borderless selects ETFs and publicly traded equities as the investments available through the Platform. Borderless chooses ETFs because of their transparency, liquidity, fee models and diversification. Borderless chooses listed equities because of their exposure to specific industries, liquidity, transparency, risk profile and diversification. Borderless' investment recommendations are designed to help promote diversification and long-term growth as appropriate within the context of Client-specific risk tolerance and investment time horizon.

The ETFs and equity securities made available through the Platform represent exposure to a broad range of investment strategies such as, moderate/moderate high or high risk; asset classes such as small, mid, and large cap U.S. equities, fixed income, emerging markets, or international; and industries such as technology, finance technology, healthcare, energy, and agriculture.

In Borderless' due diligence and analysis process, Borderless utilizes a form of quantitative analysis in which it analyzes fees and performance of the securities it recommends using historical market data, risk metrics and other benchmarks.

### **A. Investment Strategies**

Borderless uses a proprietary model to determine the risk tolerance for each Client and make Portfolio Recommendations to each Client. The proprietary model analyzes the Client-supplied data through the Suitability Questionnaire and makes Portfolio Recommendations. Borderless' Platform will make Portfolio Recommendations based on specified metrics, including performance, risk and/or popularity. The Platform is designed to promote diversification and return within the Client-specific risk, investment and suitability limits.

### **B. Risk of Loss**

Borderless does not guarantee the future performance of any Investment Account. Clients must understand that investments made via the Platform involve substantial risk and are subject to various market, currency, economic, political and business risks, and that those investment decisions and actions will not always be profitable. Clients may not get back the amount invested. Subject to the Investment Advisers Act of 1940, as amended ("Advisers Act"), Borderless shall have no liability for any losses in a Client's Investment Account. The price of any security or the value of an entire asset class can decline for a variety of reasons outside of Borderless' 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. There is no guarantee that Borderless' judgment or investment decisions about particular securities or asset classes will necessarily produce the intended results. Borderless' judgment may prove to be incorrect, and a Client might not achieve his or her investment objectives. High volatility and/or the lack of deep and active liquid markets for a security may prevent a Client from selling his or her securities at all, or at an advantageous time or price because Borderless and the Client's broker may have difficulty finding a buyer and may be forced to sell at a significant discount to market value. The Platform, by its automated nature, limits excessive trading risk, although human programming error may result in excessive trading. Borderless cannot guarantee any

level of performance or that any Client will avoid a loss of Investment Account assets. ***Any investment in securities involves the possibility of financial loss that Clients should be prepared to bear.***

When evaluating 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 should be considered carefully by a prospective Client before entering the Platform. These risks should be considered as possibilities, with additional regard to their actual probability of occurring and the effect on a Client if there is, in fact, an occurrence. ***Past performance of a security is not necessarily indicative of future performance or risk of loss.***

**Market Risk** - The price of any security or the value of an entire asset class can decline for a variety of reasons outside of Borderless' 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 a Client has a high allocation in a particular asset class it may negatively affect overall 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 that Client's Investment Account to underperform relative to the overall market.

**Investment Risk** - There is no guarantee that Borderless' judgment, models or investment recommendations about particular securities or asset classes will necessarily produce the intended results. Borderless' judgment may prove to be incorrect, and a Client might not achieve his or her investment objectives. Borderless may also make future changes to the investing algorithms and services that it provides. In addition, it is possible that Clients or Borderless itself may experience computer equipment failure, loss of internet access, viruses, or other events that may impair access to Borderless' Platform and software-based financial service.

**Volatility and Correlation Risk** - Clients should be aware that Borderless' asset selection process is based in part on a careful evaluation of past price performance and volatility in order to evaluate future probabilities. However, it is possible that different or unrelated asset classes may exhibit similar price changes in similar directions, which may adversely affect a Client, and may become more acute in times of market upheaval or high volatility. Past performance is no guarantee of future results, and any historical returns, expected returns, or probability projections might not reflect actual future performance.

**Liquidity and Valuation Risk** - High volatility and/or the lack of deep and active liquid markets for a security may prevent a Client from selling her securities at all, or at an advantageous time or price because Borderless and the Client's broker may have difficulty finding a buyer and may be forced to sell at a significant discount to market value. Some ETFs that hold or trade financial instruments may be adversely affected by liquidity issues as they manage their portfolios. While Borderless values the securities held in Client's Investment Account based on reasonably available exchange-traded security data, Borderless may from time to time receive or use inaccurate data, which could adversely affect security valuations, transaction size for purchases or sales, and/or the resulting fees paid to Borderless.

**Credit Risk** - Borderless cannot control, and Clients are exposed to the risk that financial intermediaries or security issuers may experience adverse economic consequences that may include impaired credit ratings, default, bankruptcy or insolvency, any of which may affect portfolio values or management. This risk applies to assets on deposit with any broker utilized by a Client, notwithstanding asset segregation and insurance requirements that are beneficial to Clients generally. In addition, exchange trading venues or trade settlement and clearing intermediaries could experience adverse events that may temporarily or permanently limit trading or adversely affect the value of securities held by Clients. Finally, any issuer of

securities may experience a credit event that could impair or erase the value of the issuer's securities held by a Client. Borderless seeks to limit credit risk through ETFs, which are subject to regulatory limits on asset segregation and leverage such that fund shareholders are given liquidation priority versus the fund issuer; however, certain funds and products may involve higher issuer credit risk because they are not structured as a registered fund.

**Legislative and Tax Risk** - Performance may directly or indirectly be affected by government legislation or regulation, which may include, but is not limited to: changes in investment adviser or securities trading regulation; change in the U.S. government's guarantee of ultimate payment of principal and interest on certain government securities and changes in the tax code that could affect interest income, income characterization, and/or tax reporting obligations (particularly for ETFs and publicly traded equities dealing in natural resources). Borderless does not engage in financial or tax planning, and in certain circumstances, a Client may incur taxable income on her investments without a cash distribution to pay the tax due.

**ETF Risks, including Net Asset Valuations and Tracking Error** - ETF performance may not exactly match the performance of the index or market benchmark that the ETF is designed to track because 1) the ETF will incur expenses and transaction costs not incurred by any applicable index or market benchmark; 2) certain securities comprising the index or market benchmark tracked by the ETF may, from time to time, temporarily be unavailable; and 3) supply and demand in the market for either the ETF and/or for the securities held by the ETF may cause the ETF shares to trade at a premium or discount to the actual net asset value of the securities owned by the ETF. Certain ETF strategies may from time to time include the purchase of fixed income, commodities, foreign securities, American Depositary Receipts, or other securities for which expenses and commission rates could be higher than normally charged for exchange-traded equity securities, and for which market quotations or valuation may be limited or inaccurate.

Clients should be aware that to the extent they invest in ETF securities, they will pay two levels of compensation – fees charged by Borderless, which are currently zero, plus any management fees charged by the issuer of the ETF. This scenario may cause a higher cost (and potentially lower investment returns) than if a Client purchased the ETF directly.

An ETF typically includes embedded expenses that may reduce the fund's net asset value, and therefore directly affect the fund's performance and indirectly affect a Client's portfolio performance or an index benchmark comparison. Expenses of the fund may include investment adviser management fees, custodian fees, brokerage commissions, and legal and accounting fees. ETF expenses may change from time to time at the sole discretion of the ETF issuer. ETF tracking error and expenses may vary.

**Inflation, Currency, and Interest Rate Risks** - Security prices and portfolio returns will likely vary in response to changes in inflation and interest rates. Inflation causes the value of future dollars to be worth less and may reduce the purchasing power of an investor's future interest payments and principal. Inflation also generally leads to higher interest rates, which in turn may cause the value of many types of fixed-income investments to decline. The liquidity and trading value of foreign currencies could be affected by global economic factors, such as inflation, interest rate levels, and trade balances among countries, as well as the actions of sovereign governments and central banks. In addition, the relative value of the U.S. dollar-denominated assets primarily managed by Borderless may be affected by the risk that currency devaluations affect Client purchasing power.

**Algorithmic Trading** – Clients are advised that the Platform relies on models and assumptions in generating recommendations. Investing models, such as those used by Borderless, may not perform as intended for a variety of reasons, including but not limited to incorrect assumptions, changes in the market, and/or changes to data inputs. These algorithms, or a computer system's code or underlying assumptions may be periodically modified, and these changes may have unintended consequences. The algorithms

described above will generate recommendations only from information that is input into the algorithm. Although Borderless collects a variety of information from Clients, individualized information about every aspect of a Client's personal financial situation is not elicited through Borderless' Platform, and therefore, not considered by the algorithms. Clients should be aware of this limitation when considering Borderless' service. Additional information regarding relevant considerations for Clients considering an automated digital investment advisory program is contained in the Investor Bulletin from the SEC available at [https://www.sec.gov/oiea/investor-alerts-bulletins/ib\\_robo-advisers.html](https://www.sec.gov/oiea/investor-alerts-bulletins/ib_robo-advisers.html).

**Technology Risks** - The techniques and methodologies utilized by Borderless in offering investment advice are fundamentally dependent on technology, including hardware, software and telecommunications systems. The data gathering, research, forecasting, generation of Portfolio Recommendations, order execution, trade allocation, risk management, operational, back office and accounting systems, among others, utilized by Borderless are all highly automated and/or computerized. Such automation and computerization are dependent upon an extensive amount of proprietary software and third-party hardware and software. Borderless typically does not utilize design documents or specifications when building its proprietary software. The proprietary software code thus typically serves as the only definitive documentation and specification for how such software should perform.

Borderless' proprietary software and third-party hardware and software may experience errors, omissions, imperfections and malfunctions (collectively, "**Coding Errors**"). Coding Errors in third-party hardware and software are generally entirely outside of the control of Borderless.

Borderless, however, seeks to reduce the incidence and impact of Coding Errors through a certain degree of internal testing and real-time monitoring, and the use of independent safeguards in the overall Platform and often, with respect to proprietary software, in the software code and the model itself. Despite such testing, monitoring and independent safeguards, Coding Errors may result in, among other things, the generation of unanticipated Portfolio Recommendations, the failure to execute trades in a timely fashion, and/or the failure to properly gather and organize available data, all of which can and may have adverse (and potentially materially adverse) effects on Clients' Investment Accounts and/or the Client's performance.

Coding Errors are often extremely difficult to detect, especially in the case of Portfolio Recommendations. Regardless of how difficult their detection appears in retrospect, some of these Coding Errors may go undetected for long periods of time and some may never be detected. The degradation or impact caused by these Coding Errors can compound over time. Moreover, Borderless may detect certain Coding Errors that it chooses, in its sole discretion, not to address or fix. While Borderless may not perform a materiality analysis on many of the Coding Errors discovered in its software code, Borderless believes that the testing and monitoring performed on such software will enable Borderless to identify and address those Coding Errors that a prudent person managing a digital investment program would identify and address by correcting the Coding Errors. Clients should assume that Coding Errors and their ensuing risks and impact are an inherent part of investing with a digital investment adviser such as Borderless. Accordingly, Borderless does not expect to disclose discovered Coding Errors to the Clients. Borderless seeks, on an ongoing basis, to create adequate backups of software and hardware where possible but there is no guarantee that such efforts will be successful.

Further, to the extent that an unforeseeable software or hardware malfunction or problem is caused by a defect, security breach, virus or other outside force, Clients may be materially adversely affected.

**Risks of Relying on Data** - The Investment Opportunities recommended to Clients are highly reliant on the gathering, cleaning, culling and analysis of large amounts of data from third parties and other external sources. It is not possible or practicable, however, to factor all relevant, available data into generating

Investment Opportunities. Borderless will use its discretion to determine what data to gather with respect to any recommended Investment Opportunity and what subset of that data the Platform takes into account to generate Investment Opportunities. The data used in the Platform is obtained or derived from sources believed to be reliable, but Borderless does not verify such data and cannot guarantee its accuracy and completeness. In addition, due to the automated nature of such data gathering and the fact that much of this data comes from third-party sources, it is inevitable that not all desired and/or relevant data will be available to, or processed by, Borderless at all times. In such cases, Borderless often will continue to generate Investment Opportunities based on the data available to it. Additionally, Borderless may determine that certain available data, while potentially useful in generating Investment Opportunities, is not cost effective to gather due to either the technology costs or third-party vendor costs and, in such cases, Borderless will not utilize such data. Clients should be aware that, for all of the foregoing reasons and more, there is no guarantee that any specific data or type of data will be utilized in generating Investment Opportunities, nor is there any guarantee that the data actually utilized in generating Investment Opportunities will be (i) the most accurate data available or (ii) free of errors. Clients should assume that the foregoing limitations and risks associated with gathering, cleaning, culling and analyzing large amounts of data from third-party and other external sources are an inherent part of investing with a digital investment adviser.

The Platform also relies on information provided by Clients in generating Investment Opportunities. The Investment Opportunities are highly reliant on the accuracy of the information provided to Borderless by Clients. If a Client were to provide Borderless with inaccurate information, this could materially impact the quality and applicability of the Investment Opportunities. In addition, the Investment Opportunities are limited in scope to the questions Borderless asks through the Suitability Questionnaire.

**Cybersecurity Risks** – Borderless and its service providers are subject to risks associated with a breach in cybersecurity. Cybersecurity is a generic term used to describe the technology, processes and practices designed to protect networks, systems, computers, programs and data from cyber-attacks and hacking by other computer users, and to avoid the resulting damage and disruption of hardware and software systems, loss or corruption of data, and/or misappropriation of confidential information. In general, cyber-attacks are deliberate, but unintentional events may have similar effects. Cyber-attacks may cause losses to Clients by interfering with the processing of transactions, affecting Borderless' ability to create and update Portfolio Recommendations or impeding or sabotaging trading. Clients may also incur substantial costs as the result of a cybersecurity breach, including those associated with forensic analysis of the origin and scope of the breach, increased and upgraded cybersecurity, identity theft, unauthorized use of proprietary information, litigation, and the dissemination of confidential and proprietary information. Any such breach could expose Borderless to civil liability as well as regulatory inquiry and/or action. In addition, Clients could incur additional losses as a result of unauthorized use of their personal information. While Borderless has established business continuity plans, incident response plans and systems designed to prevent cyber-attacks, there are inherent limitations in such plans and systems, including the possibility that certain risks have not been identified. Similar types of cybersecurity risks also are present for issuers of securities that Borderless recommends, which could result in material adverse consequences for such issuers, and may cause a Client's investment in such securities to lose value.

**Investment Strategy Risks** - There are risks associated with the long-term core strategic holdings. The more aggressive the investment strategy, the more likely the portfolio will contain larger weights in riskier asset classes, such as equities.

**Equity-Related Risks** - The prices of equity securities will rise and fall. These price movements may result from factors affecting individual companies, industries, or the securities market as a whole. 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. In

addition, the equity market tends to move in cycles, which may cause stock prices to fall over short or extended periods of time.

**Large-Cap and Mid-Cap Risks** - Large-cap and/or mid-cap segments of the stock market bear the risk that these types of stocks tend to go in and out of favor based on market and economic conditions. However, stocks of mid-cap companies tend to be more volatile than those of large-cap companies because mid-cap companies tend to be more susceptible to adverse business or economic events than larger, more established companies. During a period when large- and mid-cap U.S. stocks fall behind other types of investments, bonds or small-cap stocks, for instance, the performance of investment strategies focused on large- and/or mid-cap stocks will lag the performance of these other investments.

**Small-Cap and International Risks** - Historically, small-cap and international stocks have been riskier than large- and mid-cap U.S. stocks. During a period when small-cap and/or international stocks fall behind other types of investments, U.S. large and mid-cap stocks, for instance, the performance of investment strategies focused on small-cap or international stocks may lag the performance of these other investments.

**Reliance on Management and Other Third Parties** - ETF investments will rely on third-party management and advisers. Borderless is not expected to have an active role in the day-to-day management of investments. Carried interest and other incentive distributions to fund management may create an incentive towards more speculative investments than would otherwise have been made.

**Infrastructure Risks** - Infrastructure-related investments are subject to a number of unique risks. These investments may be concentrated into a small number of projects, resulting in a high degree of risk with respect to each project. Further, these investments are often subject to foreign and emerging market risks.

**Market Volatility** - General fluctuations in the economy may affect the value of one or more investments. In the event of economic volatility, the ability to achieve a favorable return on investments may be severely impeded.

**Socially Responsible Investing** - Investments may focus on “low carbon” or other areas of socially responsible investing. This investment category represents a relatively new area of investment with a relatively limited performance track-record. Due to the consideration of non-monetary factors in investment decisions, these investments may experience a lower rate of return. There may be a relatively limited number of investments to consider in this investment category, and available investments may be subject to increased competition.

**Large Investment Risks** - Clients may collectively account for a large portion of the assets in certain investments. A decision by many investors to buy or sell some or all of a particular investment where Clients hold a significant portion of that investment may negatively impact the value of the investment.

**Novel Coronavirus Pandemic, Public Health Emergency and Global Economic Impacts** - As of the date of this Brochure, there is an ongoing outbreak of a novel and highly contagious form of coronavirus (“COVID-19”), which the World Health Organization declared a pandemic on March 11, 2020. The outbreak of COVID-19 has caused a worldwide public health emergency with a substantial number of hospitalizations and deaths, and has significantly adversely impacted global commercial activity and contributed to both volatility and material declines in equity and debt markets. The global impact of the outbreak is rapidly evolving, and many country, state and local governments have reacted by instituting mandatory or voluntary quarantines, travel prohibitions and restrictions, closure or reduction of offices, businesses, schools, retail stores and other public venues and/or cancellation, suspension or postponement of certain events and activities, including certain non-essential government and regulatory activity. Businesses are also implementing their own precautionary measures, such as voluntary closures, temporary

or permanent reductions in workforce, remote working arrangements and emergency contingency plans. Such measures, as well as the general uncertainty surrounding the dangers, duration and impact of COVID-19, are creating significant disruption in supply chains and economic activity, impacting consumer confidence and contributing to significant market losses, including having particularly adverse impacts on transportation, hospitality, tourism, sports, entertainment and other industries dependent upon physical presence. As COVID-19 continues to spread, potential additional adverse impacts, including a global, regional or other economic recession of indeterminate duration, are increasingly likely and difficult to assess.

The extent of the impact of COVID-19 on Borderless will depend on many factors, including the duration and scope of the resulting public health emergency, the extent of any related restrictions implemented, the impact of such public health emergency on overall supply and demand, goods and services, investor liquidity, consumer confidence and levels of economic activity, and the extent of its disruption to important global, regional and local supply chains and economic markets, all of which are highly uncertain and cannot be predicted. The effects of the COVID-19 pandemic may materially and adversely impact Borderless' ability to source, manage and divest investments and Borderless' ability to achieve its investment objectives on behalf of its Clients, all of which could result in significant losses to a Client.

In addition, COVID-19 and the resulting changes to global businesses and economies will, likely, adversely impact the business and operations of Borderless, and its respective affiliates. Certain businesses and activities may be temporarily or permanently halted as a result of government or other quarantine measures, voluntary and precautionary restrictions on travel or meetings and other factors, including the potential adverse impact of COVID-19 on the health of key personnel.

**Other Catastrophic Risks** - In addition to the potential risks associated with COVID-19 as outlined above, Borderless may be subject to the risk of loss arising from direct or indirect exposure to a number of types of other catastrophic events, including without limitation (i) other public health crises, including any outbreak of SARS, H1N1/09 influenza, avian influenza, other coronavirus, Ebola or other existing or new epidemic diseases, or the threat thereof; or (ii) other major events or disruptions, such as hurricanes, earthquakes, tornadoes, fires, flooding and other natural disasters; acts of war or terrorism, including cyberterrorism; or major or prolonged power outages or network interruptions. The extent of the impact of any such catastrophe or other emergency on Borderless' operational and financial performance will depend on many factors, including the duration and scope of such emergency, the extent of any related travel advisories and restrictions, the impact on overall supply and demand, goods and services, investor liquidity, consumer confidence and levels of economic activity, and the extent of its disruption to important global, regional and local supply chains and economic markets, all of which are highly uncertain and cannot be predicted. In particular, to the extent that any such event occurs and has a material effect on global financial markets or specific markets in which Borderless participates (or has a material effect on any locations in which Borderless operates or on any of their respective personnel) the risks of loss could be substantial and could have a material adverse effect the ability of Borderless to fulfill its investment objectives.

### C. Limitations of Disclosure

The foregoing list of risks does not purport to be a complete enumeration or explanation of the risks involved in investing in investments. As investment strategies develop and change over time, Clients may be subject to additional and different risk factors. No assurance can be made that profits will be achieved or that substantial losses will not be incurred.

## **Item 9 – Disciplinary Information**

Registered investment advisers are required to disclose all material facts regarding any legal or disciplinary events that would be material to an evaluation of such adviser or the integrity of such adviser's management. Borderless does not have any legal, financial, regulatory, or other "disciplinary" item to report to any Client. This statement applies to Borderless and to every employee of Borderless.



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

### **Broker-Dealer Registration**

Neither Borderless nor its management persons are registered, or have an application pending to register, as a broker-dealer or a registered representative of a broker-dealer.

### **Futures and Commodity Registration**

Neither Borderless nor its management persons are registered, or have an application pending to register, as a futures commission merchant, commodity pool operator or a commodity trading advisor, or an associated person of the foregoing entities.

### **Financial Industry Affiliates**

Neither Borderless nor its management persons have relationships with other entities in the financial services industry that materially affect Borderless' advisory business or its Clients. Borderless requires that Clients use the clearing execution services offered by the Custodian, an unaffiliated clearing and executing broker and qualified custodian for Borderless accounts.

Borderless is affiliated with Stockal Fintech Limited, a company in the process of obtaining a category 4 (Investment Advisory) license with the Dubai Financial Services Authority in the Dubai International Financial Centre.

Borderless is affiliated with Stockal Securities Private Limited, a broker-dealer registered with the Securities and Exchange Board in India.

The Principals and certain employees of Borderless hold positions with the affiliates described above and have some responsibility with respect to the business of these affiliates, including involvement in the day-to-day operations. However, these affiliates are not material to Borderless' business and Borderless does not believe the relationship presents a material conflict of interest between Borderless and its Clients. Borderless is aware of the potential for conflicts inherent in its relationship with these affiliates, and will actively monitor such relationship and address such conflicts, as needed.

### **Selection of Other Investment Advisers**

Borderless does not recommend or select third party investment advisers for its Clients.

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

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

Borderless has adopted a code of ethics (the “Code of Ethics”) for all supervised persons of Borderless, describing its high standard of business conduct and fiduciary duty to its Clients pursuant to Adviser Act Rule 204A-1. The Code of Ethics provides that each employee place the interests of Borderless’ clients ahead of his/her own. The Code of Ethics, includes provisions relating to the confidentiality of Client information, a prohibition on insider trading, a prohibition of rumor mongering, restrictions on the acceptance of significant gifts and the reporting of certain gifts and business entertainment items, and personal securities trading procedures, among other things. The CCO will provide a copy of the Code of Ethics to any Client or prospective client upon request. All supervised persons of Borderless must acknowledge the terms of the Code of Ethics annually, or as amended.

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

Borderless anticipates that, in appropriate circumstances, consistent with Clients’ investment objectives, it will cause accounts over which Borderless has authority to effect the purchase or sale of securities in which Borderless, its management persons and/or Clients, directly or indirectly, have a position of interest. Borderless’ employees and persons associated with Borderless are required to follow Borderless’ Code of Ethics. Subject to satisfying this policy and applicable laws, officers, directors and employees of Borderless and its employees may trade for their own accounts in securities that are recommended to and/or purchased for Borderless’ Clients. The Code of Ethics is designed to assure that the personal securities transactions, activities and interests of the employees of Borderless will not interfere with (i) making decisions in the best interest of Clients and (ii) implementing such decisions while, at the same time, allowing employees to invest for their own accounts. Under the Code of Ethics, certain classes of securities have been designated as exempt transactions, based upon a determination that personal employee transactions in these types of securities would not materially interfere with the best interest of Clients. Employee trading is continually monitored under the Code of Ethics, and to reasonably prevent conflicts of interest between Borderless and its Clients.

Employees’ accounts may trade in the same securities with Clients’ Investment Accounts on an aggregated basis when consistent with Borderless’ obligation of best execution. In such circumstances, employee and Clients’ Investment Accounts will share execution-related costs equally and receive securities at a total average price. Borderless will retain records of the trade order (specifying each participating account) and its allocation, which will be completed prior to the entry of the aggregated order. Completed orders will be allocated as specified in the initial trade order. Partially filled orders will be allocated on a pro rata basis. Any exceptions will be explained on the order.

Borderless does not nor do any of its supervised persons recommend to Clients, or buy or sell for Clients’ Investment Accounts, securities in which Borderless or a supervised person has a material financial interest.

Borderless does not, nor do any of its supervised persons, trade ahead of Clients’ Investment Accounts.

Borderless does not execute transactions on a principal or agency cross basis.

## Item 12 – Brokerage Practices

### Best Execution

Best execution has been defined by the SEC as the “execution of securities transactions for clients in such a manner that the client’s total cost or proceeds in each transaction is the most favorable under the circumstances.” The best execution responsibility applies to the circumstances of each particular transaction. In its consideration of best execution, Borderless considers the full range and quality of a broker-dealer’s services, including:

- the ability to achieve prompt and reliable executions at favorable prices;
- the competitiveness of commission rates in comparison with other brokers satisfying Borderless’ overall selection criteria;
- the overall direct net economic result to Clients’ assets;
- the broker-dealer’s clearance and settlement capabilities;
- the operational efficiency with which transactions are effected;
- the financial strength, integrity, and stability of the broker;
- the ability to effect the transaction where a large block or other complicating factors are involved;
- the availability of the broker to execute possible difficult transactions in the future;
- the quality, comprehensiveness, and frequency of available research and related services considered to be of value, as contemplated by Section 28(e) of the Exchange Act and the regulations and interpretations of the SEC; and
- the quality, comprehensiveness and frequency of notifications of investment opportunities.

In seeking best execution, the determinative factor is not the lowest possible cost, but whether the transaction represents the best qualitative execution, taking into consideration the full range of a broker-dealer’s services, including among others, the value of research provided, execution capability, commission rates, and responsiveness.

Once Borderless begins implementing Portfolio Recommendations, Borderless expects to rely on its Custodian and review of its best execution reports to ensure compliance with best execution, as Borderless does not execute trades. The best execution report compares the execution price of each trade with the National Best Bid and Offer. The CCO (or designee) is responsible for continuously monitoring and evaluating the performance and execution capabilities of broker-dealers that transact orders for Clients to ensure consistent quality executions.

Once Borderless begins implementing Portfolio Recommendations, the Platform will require the establishment of a brokerage account with the Custodian, which will execute trades on behalf of Clients. Trades will be cleared and settled by the Custodian, an unaffiliated clearing broker and qualified custodian for Borderless Client Investment Accounts. In selecting the Custodian, Borderless did not consider any gifts

or entertainment; the Custodian's willingness to cover trade errors caused by Borderless; or client referrals or capital introduction.

The Custodian executes trades upon receipt of the Client's order. Despite this, there may, depending on the liquidity and demand in the market, be a material change in the market price of the security being bought or sold.

The Custodian is generally responsible for: (i) maintaining and recording transactions in cash and securities in Investment Accounts; (ii) sending orders placed by the Client for execution, clearance, and settlement; and (iii) providing a Client with statements, confirmations, other required documentation, and other information about a Client's Investment Account and transactions therein. Clients authorize the Custodian to execute all trades and transactions a Client makes via the Platform and authorizes the Custodian to establish and carry a Client's Investment Account that holds Client securities and cash and records the transactions a Client has made.

Borderless may transmit or help facilitate a Client's requests for withdrawals or transfers to a Client's bank account and/or the Custodian. However, Borderless shall have no authority to initiate any withdrawal or otherwise to transfer any securities or money out of an Investment Account. Withdrawals and transfers are the sole responsibility of the Client.

As noted above, the Custodian, a third-party broker-dealer, will provide execution, custody, clearing and settlement services, and will serve as qualified custodian for Client Investment Account.

## **Research and Other Soft Dollar Benefits**

Borderless does not receive research or other products or services other than execution from a broker-dealer or a third party in connection with Client securities transactions.

## **Brokerage Referrals**

Borderless does not select broker-dealers based on solely on whether or not it may receive client referrals from a broker-dealer or third party. Borderless may seek to receive client referrals from broker-dealers and/or third-party exchanges in the future and will disclose any fees paid for these referrals and other details of the relationship, including potential conflicts of interest, to Clients by updating this Brochure appropriately.

## **Directed Brokerage**

Borderless does not permit directed brokerage arrangements.

## **Aggregating Trading for Multiple Accounts**

To the extent that Borderless determines to aggregate client orders for the purchase or sale of securities, including securities in which Borderless' supervised persons may invest, Borderless will generally do so in a fair and equitable manner in accordance with applicable rules promulgated under the Advisers Act and guidance provided by the staff of the SEC and consistent with policies and procedures established by Borderless.

Clients will have the option to submit individual orders for execution, or alternatively, to have Borderless submit the Client's order as part of an aggregated order. Aggregated orders will receive securities at a total average price.

## **Item 13 – Review of Accounts**

Once Borderless begins implementing Portfolio Recommendations, Borderless will provide all Clients with continuous information about Investment Account status, portfolio allocations, securities, and Investment Account balances. Borderless will contact and remind clients at least annually via electronic channels to request that Clients update their personal information to account for any material changes that have occurred.

Once Borderless begins implementing Portfolio Recommendations, Clients will access to current Investment Account balances and positions through the Platform. The Custodian will prepare account statements showing all transactions and account balances during the prior quarter. Clients are urged to compare the account statements they receive from the Custodian with those provided on the Platform. All information relating to Investment Accounts is provided on the Platform. Borderless requests that Clients reconfirm their current profile information as needed.

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

Borderless and its related persons do not receive an economic benefit (such as sales awards or other prizes) from any third party for providing investment advice or other advisory services to Clients. However, Borderless may receive from a broker-dealer or a fund company, without cost and/or at a discount, certain services and/or products, to assist in monitoring and servicing Investment Accounts. These may include investment-related research, pricing information and market data, software and other technology that provide access to Investment Account data, compliance and/or practice management-related publications, discounted or free consulting services, discounted or free attendance at conferences, meetings, and other educational or social events, marketing support, computer hardware or software, and other products used by Borderless to assist Borderless in its investment advisory business operations.

Borderless does not directly or indirectly compensate any person who is not its supervised person for referrals.

## Item 15 – Custody

All Client Investment Accounts will be held with the Custodian.

Once Borderless begins implementing Portfolio Recommendations, Participation in the Platform requires that a Client agrees to the Custodian's customer agreement (the "Custodian Agreement"), whereby the Custodian will carry a brokerage account that holds Client securities and cash and will record Client transactions on the Platform as well as act as the clearing broker and qualified custodian for Client Investment Accounts. Neither Borderless nor any investment service provider engaged by Borderless is responsible for the obligations of the Custodian or any successor custodian.

The Custodian will prepare account statements showing all transactions and account balances during the prior quarter. All information relating to Client accounts will be provided on the Platform and/or sent via email. Clients are urged to compare the account statements they receive from the Custodian with those provided on the Platform.

## **Item 16 – Investment Discretion**

Borderless makes Portfolio Recommendations to Clients on a non-discretionary basis. As set forth above, Borderless expects to implement its Portfolio Recommendations for Client's accounts beginning in the first quarter of 2023. At that time, Borderless will exercises limited discretion with respect to the securities and amount of securities to be bought or sold for Clients' Investment Accounts order to facilitate rebalancing.



## **Item 17 – Voting Client Securities**

As a matter of firm policy and practice, Borderless does not have any authority to and does not vote proxies on behalf of Clients. Clients retain the responsibility for receiving and voting proxies for any and all securities maintained in such Client's portfolio. Clients will receive proxies and other solicitations directly from the designated custodian.

Borderless will neither advise nor act on behalf of the Client in legal proceedings involving companies whose securities are held or previously were held in the Client's account(s), including, but not limited to, the filing of "Proofs of Claim" in class action settlements.

## **Item 18 – Financial Information**

Borderless does not require or solicit the prepayment of any fees six or more months in advance and does not have any adverse financial condition that is reasonably likely to impair Borderless' ability to continuously meet its contractual commitments to its Clients. Borderless has not been the subject of a bankruptcy proceeding.