

Financial Choice Inc. (doing business as Nexus) Wrap Fee Program Brochure

This wrap fee program brochure provides information about the qualifications and business practices of Financial Choice Inc, doing business as Nexus. If you have any questions about the contents of this brochure, please contact us at (425) 954-5029 or by email at: info@nexus.site. The information in this brochure has not been approved or verified by the United States Securities and Exchange Commission ("SEC") or by any state securities authority.

Additional information about Financial Choice Inc. is also available on the SEC's website at www.adviserinfo.sec.gov. Financial Choice Inc.'s CRD number is: 317450. You are encouraged to review this Brochure for more information on the qualifications of our firm, our associates who advise you and our employees.

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Registration as an investment adviser does not imply a certain level of skill or training.

Version Date: 2022-04-21

Item 2: Material Changes

Financial Choice Inc. doing business as Nexus ("FC" or the "Firm") has updated its ADV Part 2A Disclosure Brochure to reflect the following change(s):

- **Multiple Sections:** updated to include the Firm's "doing business as" designation of Nexus.
- **Item 1 - Cover Page:** updated Firm's telephone number.
- **Item 4 - Advisory Business:** (i) added additional information about the role the Firm's algorithm plays in providing investment advice, and potential delays in withdrawing from the DDA account based on timing of the request, (ii) DDA updated to add details regarding FC's wrap advisory fee, interest, and certain expenses payable by the client.
- **Item 6 - Portfolio Manager Selection and Evaluation:** added additional risk disclosures.
- **Item 9 - Additional Information:** (i) clarified details relating to client reporting, (ii) added information regarding the Firm's custody of client funds and securities, (iii) updated to indicate that the Firm requires that clients establish use Embed Clearing LLC, Member FINRA/ SIPC, as custodian.

Our previous version of Form ADV Part 2A was dated January 27, 2022.

Our prospective clients are strongly encouraged to read this Brochure in its entirety prior to engaging the firm for any advisory services.

Pursuant to federal regulation, Financial Choice Inc. will ensure that clients receive a summary of any materials changes to this Brochure within 120 days of the close of the firm's fiscal year-end. Additionally, as the firm experiences material changes in the future, we will send you a summary of our "Material Changes" under separate cover. For more information about the firm, please contact us at (425) 954-5029.

Additional information about the firm and its investment adviser representatives is also available on the SEC's website at www.adviserinfo.sec.gov.

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Item 4: Advisory Business

A. Description of the Advisory Firm

Investment Advisory Services

Financial Choice Inc. (hereinafter “FC”) provides discretionary portfolio management to separately managed account clients under a wrap fee program (“Wrap Program”) as sponsor and portfolio manager. FC provides robo-advisory portfolio management to clients under this Wrap Program as sponsor and portfolio manager exclusively via an online interface. This entails the use of algorithm-based portfolio management advice, and does not include in-person investment advice.

Clients receiving Investment Advisory Services from FC can choose whether or not to use FC’s Cash Management services (see description below).

FC provides investment advisory services on a continuous basis and in accordance with the investment objectives and risk tolerance provided by the client. FC typically provides investment management services for portfolios assembled by FC. These portfolios will typically be comprised of stocks, bonds, exchange traded funds (“ETF’s”), and money market funds. The ETFs are typically invested in stocks, and bonds.

Client managed account assets are invested in FC’s investment strategies based on investments that appear to be most suitable to the client’s investment objectives determined for those account assets. Factoring in individual client characteristics, such as the client’s age, risk tolerance, income, and current assets, among others. Several clients will be invested in the same or similar investment strategy at any given time. Further details on FC’s investment strategies, including the risks pertaining to the securities comprising such strategies is found in Item 6.

FC provides robo-advisory, discretionary portfolio management services via an online interface. Under FC’s Wrap Program, the client receives advisory and brokerage execution services plus account reporting and custodial services, for one all-inclusive fee. Once the appropriate portfolio has been determined by FC’s proprietary algorithm (based on information received from the client), FC monitors the investments regularly, conducts account reviews periodically, and will consider an appropriate rebalance of a portfolio as necessary, based upon the client’s stated goals and objectives.

Client assets in the Wrap Program managed by FC are held in accounts at a registered broker/dealer and qualified custodian, who will provide clearing, custody and other brokerage services for client accounts. Each client is ultimately responsible for providing

all of the necessary information to establish their own account. Clients will retain all rights of ownership in such accounts, including vote proxies, and receive transaction confirmations.

Cash Management Services

FC provides its clients Cash Management Services in connection with its advisory services. Clients receiving investment advisory services are not required to use FC's Cash Management services. Please note that FC's Cash Management services are not available to persons that are not investment advisory clients of FC.

Clients that elect to use the Cash Management Services will be required to open a demand deposit account ("DDA") at Evolve Bank & Trust ("Bank"). The DDA will be connected to a client's investment account ("Investment Account") managed by FC. Under this arrangement, FC, through the use of its proprietary algorithm, has the ability to determine when to transfer monies deposited into the DDA through aggregating accounts at the Bank and at the Custodian (defined below) to the client's Investment Account. Once in the client's Investment Account, those monies will be invested by FC based on output generated by FC's algorithm and according to the client's investment strategy.

Each client has a specified amount of money that is kept in their DDA. When a client seeks to withdraw money from the DDA, FC's algorithm will attempt to meet the withdrawal request with cash held in the DDA. In addition, FC's algorithm may initiate a sale transaction in the client's Investment Account to cover the withdrawal amount, and get the DDA balance back to the customer's specified amount. When a client deposits money in the DDA, FC's algorithm will initiate the investment of the applicable portion of funds to get the DDA's balance back to the amount specified by the client. Due to limitations relating to banking and financial market operations, FC may not always be able to initiate transactions in order to keep the DDA at the client's specified amount in real time (e.g. Depending on the timing of when your withdrawal request is received, it may not be possible for the algorithm to initiate sale transactions until the next business day due to market cut-off trading times and the time necessary to identify and enter the necessary transactions). Accordingly, a client might experience a temporary delay in withdrawing some or a portion of the desired withdrawal amount. FC may, at its full discretion, approve such withdrawals, even while a user is experiencing a delay.

Clients have to be investment advisory clients of FC in order to receive Cash Management Services. FC's fees may be higher or lower than those available from other professional providers for similar cash management services. This arrangement creates a conflict of interest as FC receives revenue from a client's use of the debit card associated with the DDA (see discussion in the "Fees and Compensation" section below). FC believes that the services provided by the Bank and the associated fees of the Bank are reasonable, and notes that there may be other bank partners who offer similar services for lower fees.

Fees and Compensation:

Investment Advisory Services

FC charges a flat \$10/month fee ("Advisory Fee") for its advisory services and execution of transactions within its Wrap Program. Clients do not pay brokerage commissions, markups or transaction charges for execution of transactions in addition to the Advisory Fee.

The Advisory Fee is withdrawn directly from the client's accounts with client's written authorization on a monthly basis.

The Advisory Fee is paid monthly in advance. A monthly Advisory Fee paid in advance but not yet earned will not be refunded if a client terminates on a day other than the last day of a calendar month. FC expects to lower or waive the Advisory Fee for certain clients, friends of family members, in FC's sole discretion. FC's Advisory Fee is not negotiable. Although FC believes its Advisory Fee is competitive, clients should be aware that lower fees for comparable services may be available from other sources.

Clients may terminate their agreement without penalty, for full refund of FC's fees, within five business days of signing the Investment Advisory Agreement. Thereafter, clients may terminate the Investment Advisory Agreement in accordance with the provisions of thereof.

Cash Management Services

FC does not charge a separate service fee for its Cash Management Services.

Please note that, in connection with a client's use of the debit card associated with the DDA linked to the client's investment advisory account, FC will earn an industry standard interchange fee (which can generally range from 0.5% to 1.5%, depending on factors, which include, among other things, the merchant category, user location, and applicable bank rates). The interchange fee is paid by the merchant, not the card user (i.e. not by the client). Additionally, the client will earn industry standard interest on balances in a client's DDA (which has been between 0% and 0.5% in recent years, depending on the applicable bank rate), if the user chooses not to have their funds automatically invested. The interest rate provided to users is expected to be in line with the national interest average. FC expects the interchange fee to be a material source of revenue for the Firm.

B. Contribution Cost Factors

Participating in the Wrap Program may cost the client more or less than purchasing such services separately. There are several factors that bear upon the relative cost of the Wrap Program, including the trading activity in the client's account, the adviser's ability to aggregate trades, and the cost of the services if provided separately (which in turn depends on the prices and specific services offered by different providers).

A Wrap Program allows our clients to pay a specified fee for investment advisory services and the execution of transactions. The advisory services can include portfolio management and the fee is not based directly upon transactions in your account. Your fee is bundled with FC's costs for executing transactions in your account(s). This generally results in a higher advisory fee to you. We do not charge our clients higher advisory fees based on their trading activity, but you should be aware that we could have an incentive to limit our trading activities in your account(s) when FC is charged for executed trades. By participating in a Wrap Program, you could end up paying more or less than you would through a non-wrap fee program where, generally, a lower advisory fee is charged, and trade execution costs are passed directly through to you by the executing broker.

C. Additional Fees and Costs

FC will wrap some third-party fees (i.e., custodian fees, brokerage fees, and transaction fees) for wrap fee portfolio management accounts. FC will charge clients one fee, and pay all transaction fees (if any) using the fee collected from the client. Accounts participating in the Wrap Program are not charged higher advisory fees based on trading activity.

Certain other fees are not included in the wrap fee and are paid for separately by the client. These include, but are not limited to, margin costs, charges imposed directly by a mutual fund or exchange traded fund ("ETF"), fees associated with "step out" transactions if the account uses different custodians or broker-dealers, deferred sales charges, odd-lot differentials, transfer taxes, wire transfer and electronic fund fees, and other fees and taxes on brokerage accounts and securities transactions. Further information regarding fees assessed by a mutual fund or ETF is available in the appropriate prospectus, which is available upon request from us or from the product sponsor directly.

In addition, the Advisory Fee does not include or cover transfer taxes, fees and or taxes assessed by state and federal governments or agencies thereof, internal fees and expenses charged by the investments used in the Account(s) (if any), the United States Securities Exchange Commission Section 31 fee ("SEC fee") and the FINRA Trading Activity Fee ("TAF") and ADR fees (charged by each ADR in accordance with the terms of the applicable ADR prospectus). You will be charged the mandatory SEC fee on the trades executed in the Account(s). The SEC Fee is set by the SEC and subject to change. As of the date of this Brochure, the SEC Fee per transaction is \$5.10 per million dollars. See the [SEC Website](#) for additional information on the SEC Fee. The TAF is set by FINRA and subject to change. As of the date of this Brochure, the TAF per transaction is \$0.000119 per share for each sale of a covered equity security, with a maximum charge of \$5.95 per transaction. See the [FINRA Website](#) for additional information on the TAF.

D. Compensation of Client Participation

Neither FC nor any representatives of FC receive any additional compensation beyond advisory fees for the participation of clients in the Wrap Program. However, compensation received may be more than what would have been received if client paid separately for investment advice, brokerage, and other services. Therefore, FC has a financial incentive to recommend the Wrap Program to clients.

Item 5: Types of Clients

FC provides online investment advisory services on a continuous basis to the following types of clients:

- ❖ Individuals
- ❖ High-Net-Worth Individuals

There is no account minimum balance required for an investment advisory account or DDA.

Prospective clients evaluating FC's advisory service should be aware that FC's relationship with clients is likely to be different from the "traditional" investment adviser relationship in several aspects: (i) FC is a software-based financial adviser, which means each client acknowledges its ability and willingness to conduct a relationship with FC on an electronic basis and to receive all documentation related to the advisory services on an electronic basis; (ii) FC does not make individual representatives available to discuss servicing matters with clients or to provide advice; (iii) FC will remind clients via email on at least a yearly basis that they are able to update their stated risk preferences and may request that clients answer questionnaires seeking additional information on those clients' investment profiles from time to time; (iv) neither FC nor any of its employees or representatives meet with clients face-to-face; (v) clients may not place orders to purchase or sell securities on a self-directed basis via the FC electronic platform.

Item 6: Portfolio Manager Selection and Evaluation

A. Selecting/Reviewing Portfolio Managers

FC will be the sole portfolio manager for this Wrap Program. FC will not select or recommend third-party investment advisors or portfolio managers to provide services under this Wrap Program.

B. Related Persons

FC and its personnel serve as the portfolio managers for all Wrap Program accounts. This is a conflict of interest in that no outside adviser assesses FC's management of the Wrap Program. However, FC addresses this conflict by disclosing it in this Brochure and by seeking to act in its clients' best interest consistent with its fiduciary duty as sponsor and portfolio manager of the Wrap Program.

C. Advisory Business

FC provides "robo-advisory" portfolio management services via an online interface. This entails the use of algorithm-based portfolio management advice, rather than in-person investment advice.

FC will obtain discretionary authority from clients in order to select securities and execute transactions without permission from the client prior to each transaction.

Risk tolerance levels are documented in a Client Profile and/or questionnaire, which each client fills out during onboarding..

Portfolio management accounts participating in the Wrap Program will not have to pay separately for transaction or trading fees. FC will charge clients one Advisory Fee, and pay any applicable transaction fees using the Advisory Fee collected from the client. Certain other fees (described above) are not included in the Advisory Fee and are paid for separately by the client. These include, but are not limited to, margin costs, charges imposed directly by a mutual fund or exchange traded fund, deferred sales charges, odd-lot differentials, transfer taxes, wire transfer and electronic fund fees, and other fees and taxes on brokerage accounts and securities transactions.

Accounts participating in the Wrap Program are not charged higher advisory fees based on trading activity.

Services Limited to Specific Types of Investments

FC generally limits its investment advice to equities and fixed income securities. FC may use other securities as well to help diversify a portfolio when applicable.

Client Tailored Services and Client Imposed Restrictions

FC provides the same suite of services and investment strategy options to all of its clients. However, specific client investment strategies recommended by FC are dependent upon

the client's current situation (income, tax levels, and risk tolerance levels, among other factors). Clients are not permitted to impose restrictions on investing in certain securities or types of securities in accordance with their values or beliefs.

Wrap Fee Programs

As discussed herein, FC sponsors and acts as portfolio manager for this Wrap Program. FC manages the investments in the Wrap Program in exchange for the Advisory Fee described in Section 4 above.

Amounts Under Management

FC has the following assets under management:

Discretionary Amounts:	Non-Discretionary Amounts:	Date Calculated:
\$280,000	\$0	March 2023

Performance-Based Fees and Side-By-Side Management

FC 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.

Methods of Analysis and Investment Strategies

Methods of Analysis

FC's methods of analysis include Fundamental analysis and Modern portfolio theory.

Fundamental analysis involves the analysis of financial statements, the general financial health of companies, and/or the analysis of management or competitive advantages.

Modern portfolio theory is a theory of investment that attempts to maximize portfolio expected return for a given amount of portfolio risk, or equivalently minimize risk for a given level of expected return, each by carefully choosing the proportions of various assets.

Investment Options

FC offers its clients a set of investment options to choose from. Initially, FC will provide the following ETF investment options through its platform (this list will be updated to include more ETF options, or blends of ETF options, if they become available):

- US stock market ETF, offering exposure to a wide number of public stocks traded on the United States exchanges.

- World stock market ETF, offering exposure to a wide number of public stocks of non-US companies .
- US bond market ETF, offering exposure to a wide number of public bonds traded in the United States bond markets.
- World bond market ETF, offering exposure to a wide number of non-US public bonds.
- Money market ETF, offering exposure to highly liquid, risk mitigated, short-term US debt securities.

Investing in securities involves a risk of loss that you, as a client, should be prepared to bear.

Material Risks Involved

Methods of Analysis

Fundamental analysis concentrates on factors that determine a company's value and expected future earnings. This strategy would normally encourage equity purchases in stocks that are undervalued or priced below their perceived value. The risk assumed is that the market will fail to reach expectations of perceived value.

Modern portfolio theory assumes that investors are risk averse, meaning that given two portfolios that offer the same expected return, investors will prefer the less risky one. Thus, an investor will take on increased risk only if compensated by higher expected returns. Conversely, an investor who wants higher expected returns must accept more risk. The exact trade-off will be the same for all investors, but different investors will evaluate the trade-off differently based on individual risk aversion characteristics. The implication is that a rational investor will not invest in a portfolio if a second portfolio exists with a more favorable risk-expected return profile – i.e., if for that level of risk an alternative portfolio exists which has better expected returns.

Investment Strategies

Long term trading is designed to capture market rates of both return and risk. Due to its nature, the long-term investment strategy can expose clients to various types of risk that will typically surface at various intervals during the time the client owns the investments. These risks include but are not limited to inflation (purchasing power) risk, interest rate risk, economic risk, market risk, and political/regulatory risk.

Short term trading risks include liquidity, economic stability, and inflation, in addition to the long-term trading risks listed above. Frequent trading can affect investment performance, particularly through increased brokerage and other transaction costs and taxes.

Risk of Loss

Investing in securities involves a significant risk of loss which clients should be prepared

to bear. FC portfolios are subject to various market, currency, economic, political and business risks, and such investments will not always be profitable. Clients should be aware that there may be a loss or depreciation to the value of the client's account. There can be no assurance that the client's investment objectives will be obtained and no inference to the contrary should be made.

Past performance is not indicative of future results. Therefore, clients should never assume that future performance of any specific investment or investment strategy will be profitable. Investing in securities (including stocks, mutual funds, etc.) involves risk of loss. Further, depending on the different types of investments there may be varying degrees of risk.

Because of the inherent risk of loss associated with investing, FC is unable to represent, guarantee, or even imply that our services and methods of analysis can or will predict future results, successfully identify market tops or bottoms, or insulate clients from losses due to market corrections or declines.

Risks of Specific Securities Utilized

Clients should be aware that there is a material risk of loss using any investment strategy. The investment types listed below are not guaranteed or insured by the FDIC or any other government agency.

The following risks are specific to FC's advisory business:

- **Algorithm Risk** - The Investment Advisory Services provided by FC are highly reliant on the accurate performance of the algorithm(s) used by FC, and the technology that generates such algorithm(s). A malfunction or failure in either an algorithm or the underlying technology could cause client to receive a recommendation that is not suitable based on client's risk tolerance and investment time horizon, and to experience losses, some or all of which could be significant.
- **Reliance on Limited Client Information** - The algorithm(s) underlying the investment advice provided by FC relies on a number of assumptions based upon a limited amount of information provided by the Client through FC's website and a number of other variables. If one or all of these assumptions proves over time to be incorrect, such an occurrence could result in significant investment losses.
- **Third Party Risk** - FC uses the services of third parties to operate the website, is advisory business and its cash management business. These third parties also interface with FC's banking partners in order to connect client account(s) with client DDA accounts (for clients receiving Cash Management Services). FC relies on such third parties for the provision of its services. While FC believes these third party service providers are generally reliable, there could be problems or inaccuracies in the information and/or services they provide that FC cannot control. Such problems or inaccuracies could compromise the quality of the investment advisory and other services or FC's ability to deliver those services. Further, some or all of the third party agreements may allow the service provider to terminate the agreement with no prior notice to FC. In such a circumstance, FC's ability to provide services could be significantly and materially affected.

There are certain additional risks associated with the securities recommended and strategies utilized by FC including, among others:

- Market Risk – Either the stock market as a whole, or the value of an individual company, goes down resulting in a decrease in the value of Client investments. This is also referred to as systemic risk.
- Sector risk – The chance that significant problems will affect a particular sector, or that returns from that sector will trail returns from the overall stock market. Daily fluctuations in specific market sectors are often more extreme than fluctuations in the overall market.
- Non-diversification risk – The risk of focusing investments in a small number of issuers, industries, or foreign currencies, including being more susceptible to risks associated with a single economic, political, or regulatory occurrence than a more diversified portfolio might be.
- Equity (stock) Market Risk – Common stocks are susceptible to general stock market fluctuations and to volatile increases and decreases in value as market confidence in and perceptions of their issuers change. If you held common stock, or common stock equivalents, of any given issuer, you would generally be exposed to greater risk than if you held preferred stocks and debt obligations of the issuer.
- Fixed Income Risk – When investing in bonds, there is the risk that the issuer will default on the bond and be unable to make payments. Further, individuals who depend on set amounts of periodically paid income face the risk that inflation will erode their spending power. Fixed-income investors receive set, regular payments that face the same inflation risk.
- Interest rate risk – The chance that prices of fixed income securities will decline because of rising interest rates. Similarly, the income from fixed income securities may decline because of falling interest rates.
- Reinvestment Risk – The risk that interest and principal payments from a bond will be reinvested at a lower yield than that received on the original bond. During periods of declining interest rates, bond payments may be invested at lower rates; during periods of rising rates, bond payments may be invested at higher rates.
- ETF and Mutual Fund Risk – When investing in an ETF or mutual fund (or a close ended mutual fund), you will bear additional expenses based on your pro rata share of the ETF's or mutual fund's operating expenses, including the potential duplication of management fees. The risk of owning an ETF or mutual fund generally reflects the risks of owning the underlying securities the ETF or mutual fund holds. You will also incur brokerage costs when purchasing ETFs.
- Debt Securities Risk - Debt Securities (corporate or municipal bonds) (aka fixed income securities) are promissory notes that pay interest and the return of principal at the end of a specified term. Credit risk is the chance the issuer will fail to pay the interest payments on the security or to pay the principal at maturity. Interest rate risk is that the market value of the bonds will go down when interest rates go up. Prepayment risk is the chance that a bond will be paid off early. For example, if interest rates fall, a bond issuer may decide to pay off its debt. When this happens, the investor may not be able to reinvest the proceeds in an investment with as high a return or yield.
- Management Risk – Your investment with our firm varies with the success and failure of our investment strategies, research, analysis, and determination of portfolio

securities. If our investment strategies do not produce the expected returns, the value of the investment will decrease.

- Opportunity Cost Risk –The risk that an investor may forego profits or returns from other investments.
- Real Estate - Real estate funds (including REITs) face several kinds of risk that are inherent in the real estate sector, which historically has experienced significant fluctuations and cycles in performance. Revenues and cash flows may be adversely affected by: changes in local real estate market conditions due to changes in national or local economic conditions or changes in local property market characteristics; competition from other properties offering the same or similar services; changes in interest rates and in the state of the debt and equity credit markets; the ongoing need for capital improvements; changes in real estate tax rates and other operating expenses; adverse changes in governmental rules and fiscal policies; adverse changes in zoning laws; the impact of present or future environmental legislation and compliance with environmental laws.
- Commodities – commodities are tangible assets used to manufacture and produce goods or services. Commodity prices are affected by different risk factors, such as disease, storage capacity, supply, demand, delivery constraints and weather. Because of those risk factors, even a well-diversified investment in commodities can be uncertain.

Past performance is not indicative of future results. Investing in securities involves a risk of loss that you, as a client, should be prepared to bear.

Voting Client Securities (Proxy Voting)

FC will not ask for, nor accept voting authority for client securities. Clients will receive proxies directly from the issuer of the security or the custodian. Consequently, the client retains the responsibility for receiving and voting all proxies for securities held within the client's account. FC shall 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 should direct all proxy questions to the issuer of the security.

FC does not advise or act for clients with respect to any legal matters, including bankruptcies and class actions, for the securities held in clients' accounts.

Item 7: Client Information Provided to Portfolio Managers

FC, through its advisors, is responsible for account management; there is no separate portfolio manager involved. FC obtains the necessary financial data directly from the client and assists the client in setting an appropriate investment objective for the account. This information is obtained by having the client complete a written investment advisory agreement and provide other information and documentation which is delivered to FC through FC's interactive website. FC's investment advice will be based on the information provided by the client. Clients are

encouraged to contact FC if there have been any changes in their financial situation, investment objectives or in any other information provided to FC. Clients should be aware that the investment objective selected for the account is an overall objective for the entire account and may be inconsistent with a particular holding and the account's performance at any time. Clients should be aware that achievement of the stated investment objective is a long-term goal for the account.

Item 8: Client Contact with Portfolio Managers

FC does not restrict clients from contacting FC personnel. FC's representatives can be contacted during regular business hours with questions about client accounts or to discuss operational matters, however, please note that FC only provides investment advice through its interactive website.

Item 9: Additional Information

A. Disciplinary Action and Other Financial Industry Activities

Criminal or Civil Actions

There are no criminal or civil actions to report.

Administrative Proceedings

There are no administrative proceedings to report.

Self-Regulatory Organization (SRO) Proceedings

There are no self-regulatory organization proceedings to report.

Other Financial Industry Activities and Affiliations

As noted above, clients may, but are not required to, use FC's Cash Management Services while receiving FC's investment advisory services. Clients will not pay a separate fee for the Cash Management Services, and FC will receive interchange fees as described in Item 4 above.

Neither FC nor its representatives are registered as, or have pending applications to become, a broker/dealer or a representative of a broker/dealer.

Neither FC nor its representatives are registered as or have pending applications to become either a Futures Commission Merchant, Commodity Pool Operator, or Commodity Trading Advisor or an associated person of the foregoing entities.

Selection of Other Advisers or Managers and How This Adviser is Compensated for Those Selections

FC does not select third-party investment advisers.

B. Code of Ethics, Client Referrals, and Financial Information

Code of Ethics

FC recognizes that the personal investment transactions of members and employees of our firm demand the application of a high Code of Ethics and require that all such transactions be carried out in a way that does not endanger the interest of any client. At the same time, FC believes that if investment goals are similar for clients and for employees and directors of our firm, it is logical and even desirable that there be common ownership of some securities.

Therefore, in order to prevent conflicts of interest, FC has in place a set of procedures with respect to transactions effected by our officers, directors and employees for their personal accounts.

Furthermore, FC has established a Code of Ethics which applies to all of our associated persons. An investment adviser is considered a fiduciary. As a fiduciary, it is an investment adviser's responsibility to provide fair and full disclosure of all material facts and to act solely in the best interest of each of our clients at all times. We have a fiduciary duty to all clients, which is considered the core underlying principle for our Code of Ethics (which also includes Insider Trading and Personal Securities Transactions Policies and Procedures). We require all of our supervised persons to conduct business with the highest level of ethical standards and to comply with all federal and state securities laws at all times. Upon employment or affiliation and at least annually thereafter, all supervised persons will sign an acknowledgement that they have read, understand, and agree to comply with our Code of Ethics. Our firm and supervised persons must conduct business in an honest, ethical, and fair manner and avoid all circumstances that might negatively affect or appear to affect our duty of complete loyalty to all clients. This disclosure is provided to give all clients a summary of our Code of Ethics. However, if a client or a potential client wishes to review our Code of Ethics in its entirety, a copy will be provided promptly upon request.

Recommendations Involving Material Financial Interests

FC does not recommend that clients buy or sell any security in which FC or a related person has a material financial interest.

Investing Personal Money in the Same Securities as Clients

From time to time, representatives of FC may buy or sell securities for themselves that they also recommend to clients. This may provide an opportunity for representatives of FC to buy or sell the same securities before or after recommending the same securities to clients resulting in representatives profiting off the recommendations they provide to clients. Such transactions may create a conflict of interest, which will be mitigated in accordance with fiduciary principles and handled under the Code of Ethics described above.

Trading Securities At/Around the Same Time as Clients' Securities

From time to time, representatives of FC may buy or sell securities for themselves at or around the same time as clients. This may provide an opportunity for representatives of FC to buy or sell securities before or after recommending securities to clients resulting in representatives profiting off the recommendations they provide to clients. Such transactions create a potential conflict of interest; however, FC will not engage in trading that operates to the client's disadvantage if representatives of FC buy or sell securities at or around the same time as clients.

Frequency and Nature of Periodic Reviews

FC provides its clients with access to their investment account information via the internet. Robo-advisory portfolio management accounts are not manually reviewed by FC. FC performs automatic reviews of customer accounts, as required to provide FC's services. These reviews can happen several times per day. On at least an annual basis, FC will contact each client to request that the profile information previously provided be updated, if appropriate due to changes in circumstance. To accomplish this, annually, clients will be asked the same risk tolerance questions again to see if the portfolio they have selected is still in line with their goals. Any deviations or changes will be suggested in a similar fashion, with similar disclosures, to the account opening process. FC will retain the client account profile data.

Clients are encouraged to update FC of any change in their objectives, risk tolerance, or other pertinent information.

Factors That Will Trigger a Non-Periodic Review of Client Accounts

Generally, robo-advisory portfolio management accounts do not undergo non-periodic review by FC, and allocations will change in accordance with the portfolio management

software utilized by FC and changes to the client's profile.

Content and Frequency of Regular Reports Provided to Clients

Robo-advisory portfolio management clients will receive at least monthly a written report that details the client's account including assets held and asset value, which report will be prepared by the custodian monthly. Such statements and reports will be delivered electronically by FC as explained in the written client agreement. Clients may also receive periodic e-mail communications regarding their accounts.

Client Referrals and Other Compensation

FC requires that clients establish brokerage accounts with Embed Clearing LLC, Member FINRA/ SIPC ("Custodian"), to maintain custody of clients' assets and to effect trades for their accounts. FC is independently owned and operated and not affiliated with the Custodian.

While FC does not have a soft-dollar contract in place with the Custodian, some of the products, services and other benefits provided by the Custodian benefit FC and may not benefit our FC's client accounts. Our requirement that clients place assets in the Custodian's custody may be based in part on benefits the Custodian provides to us, and not solely on the nature, cost or quality of custody and execution services provided by the Custodian.

The Custodian also makes available to FC other products and services that benefit us but may not benefit clients' accounts. These benefits include software, educational events, and other technology (and related technological training) that provide access to client account data (such as trade confirmations and account statements), educational events, facilitate trade execution (and allocation of aggregated trade orders for multiple client accounts), provide research, pricing information and other market data, facilitate payment of our fees from its clients' accounts, and assist with back-office training and support functions, recordkeeping and client reporting. Many of these services generally may be used to service all or some substantial number of our firm's accounts. While, as a fiduciary, FC endeavors to act in its clients' best interests, our requirement that clients maintain their assets in accounts at the Custodian is based in part on the benefit to FC of the availability of some of the foregoing products and services and other arrangements and not solely on the nature, cost or quality of custody and brokerage services provided by the Custodian, which creates a potential conflict of interest.

We generally seek "best execution" in light of the circumstances involved in transactions. In seeking best execution, the determinative factor is not the lowest possible cost, but whether the transaction represents the overall best qualitative execution, taking into consideration the full range of a broker-dealer's services, including among others, net price, reputation, financial strength and stability, efficiency of execution and error resolution, the size of the transaction and the market for the security. We will not obligate ourselves to obtain the lowest commission or best net price for an account on any

particular transaction. Consistent with the foregoing, while we will seek competitive rates, we may not necessarily obtain the lowest possible commission rates for client transactions.

FC does not receive any economic benefit, directly or indirectly from any third party for advice rendered to FC clients.

FC does not directly or indirectly compensate any person who is not advisory personnel for client referrals.

Custody

FC is deemed to have custody of client funds or securities by reason of the fact that FC has authority to debit its Advisory Fee directly from the client's account. To mitigate any potential conflicts of interests, all FC client account assets will be maintained with an independent qualified custodian.

FC is also deemed to have custody of client funds because, in connection with FC's Cash Management Services, FC has check signing authority over certain client bank accounts and the ability to transfer client assets to third parties in accordance with the written agreement between the Client and FC relating to Cash Management Services. For these assets, FC obtains an annual surprise exam from an independent accounting firm in accordance with Rule 206(4)-2 of the Investment Advisers Act of 1940, as amended.

All clients receive at least monthly account statements prepared by the custodian. FC encourages its clients to raise any questions with about the custody, safety or security of their assets. The account custodian will prepare independent account statements for each client listing account balance(s), transaction history and any fees debited from accounts, and such statements will be sent to the client by FC. Any fee deductions will be done pursuant to client's written authorization provided to the custodian.

Financial Information

FC neither requires nor solicits prepayment of more than \$1,200 in fees from a client, six or more months in advance. Therefore, FC has not included a balance sheet for its most recent fiscal year.

Financial Conditions Reasonably Likely to Impair Ability to Meet Contractual Commitments to Clients

FC does not have any financial condition that would impair its ability to meet contractual commitments to clients.

Bankruptcy Petitions in Previous Ten Years

FC has not been the subject of a bankruptcy petition.