

## Item 1 - Cover Page

# Legion Global Capital Management LLC (d/b/a Legion Invest)

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

March 2023

This wrap fee investment program brochure provides information about the qualifications and business practices of Legion Global Capital Management LLC. If you have any questions about the contents of this brochure, please contact our compliance department at [support@legioninvest.com](mailto:support@legioninvest.com) or (650) 332-4523. 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 Legion Global Capital Management LLC is also available on the SEC's website at [www.adviserinfo.sec.gov](http://www.adviserinfo.sec.gov).

Legion Global Capital Management LLC's registration as an investment adviser does not imply a certain level of skill or training, but only indicates that Legion Global Capital Management LLC has registered its business with federal regulatory authorities, including the SEC (CRD#317982).

## Item 2 - Material Changes

The following material changes have been made to Legion's investment advisory program since our last filing dated June 2022:

Item 4: Inclusion of other types of clients that can invest with Legion; Legion's investment advisory offerings are accessed exclusively via unaffiliated third-party institutions.

Item 4 and Item 9: Additional information relating to agreements between Legion and third-party institutions.

We have updated this Brochure to reflect the above. This Brochure may be requested at any time, without charge, by contacting Legion at [support@legioninvest.com](mailto:support@legioninvest.com) or by checking our website at [www.legioninvest.com](http://www.legioninvest.com).

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## Item 4 - Services, Fees and Compensation

### ADVISER DESCRIPTION

Legion Global Capital Management LLC, d/b/a Legion Invest (hereinafter referred to as “Legion”, “Adviser”, “we”, “us”, “our”) is a Delaware corporation with its principal office located in New Jersey and is registered with the Securities and Exchange Commission (the “SEC”) as an investment adviser. Legion is a subsidiary of Legion Invest Co, a Delaware corporation. Mr. Steven Dong and Mr. Feras Abou Salim are co-founders of Legion.

### ADVISORY SERVICE

Legion provides investment advisory services to retail individual investors, high net worth individuals, registered investment advisors, family offices and other business entities exclusively through a technology platform offered only through our application programming interface (the “Platform”). The Platform may be offered to our clients via unaffiliated third-party institutions with whom Legion has entered into agreements regarding the offering of advisory services by Legion (“Partners”). These individuals will be considered clients of Legion and will have access directly to the Platform. In certain cases, Legion may act as a sub-adviser to a third-party investment adviser.

Legion is a technology company that owns and maintains the Platform through which advisory clients have access via our Partners. Our clients receive investment recommendations via the Platform for various quantitative investment strategies based on a detailed questionnaire that clients complete at onboarding (further described below).

Our advisory services are offered as a wrap fee program to retail clients. Our wrap fee program provides our clients the opportunity to obtain professional portfolio management for an inclusive fee that is based upon the client’s assets under our management. This means clients are free to add or withdraw money from their Legion advisory accounts whenever they choose, with no additional fees, notwithstanding any fees assessed by a client’s own financial institution. Legion charges clients a single bundled fee that covers our investment advisory services as well as brokerage and custodial services associated with holding and trading securities provided by our custodian.

Our investment strategies are offered and recommended to clients exclusively through our Partners who will provide investors with access to the Platform. Our investment recommendations are based on a detailed questionnaire that clients complete at onboarding. Our advisory service delivers discretionary portfolio management services through the strategies. Each strategy is designed to provide clients with an efficient way to invest in the capital markets based on each client’s individual investment time frame, risk tolerance, and liquid net worth. To get started, we ask prospective clients to respond to a sequence of interactive questions that are important to the development of their portfolios, such as investment objective, purpose for investing, risk/return tolerance, annual income, among others. Following responses, clients receive a recommended investment strategy developed to be appropriate for the client’s personal financial situation and that targets a client’s expected risk and return, investment objective and purpose for investing. The recommended

investment strategies we offer are the Gold Tier or the Platinum Tier strategies. The investment recommendation is delivered for viewing over our application programming interface. If a client accepts our investment recommendation, clients are invested directly in the securities found within the recommended investment strategy and such investment is based on allocations produced by our proprietary algorithm. Otherwise, a client can elect to override Legion's recommendation and choose strategies that they are eligible for.

## INVESTMENT STRATEGIES

We seek to provide personalized, long-term oriented investment portfolios that are invested in our strategies, either Platinum Tier or Gold Tier (further described below). Each strategy is comprised primarily of a concentrated basket of stocks, ETFs or ETNs which are selected via our proprietary and fully discretionary algorithmic research process and are actively managed. Clients are invested in a personalized blend of these strategies based on personal information provided during the onboarding process (see above). This information includes a client's investment risk and goals, investment objectives and various financial parameters such as net worth. Our proprietary algorithm monitors clients' portfolios that are invested in each strategy. The minimum deposit to a client's account will be \$100.

## PLATINUM TIER STRATEGIES

Platinum Tier investment strategies have a higher minimum investment and a differentiated risk/return profile. A client must meet higher minimum eligibility requirements of employment status, annual income, and investment goals to receive a recommendation into the Platinum Tier. Prior to investing in the Platinum Tier clients will be provided with a description and objective of each recommended strategy including the number of days the strategy has been live, the type of securities the strategy invests in, the turnover rate, the drawdown rate and the CAGR rate. Additionally, a document displaying an overview of the recommended strategy will also be available for clients to view.

The Firm, via its proprietary algorithm, may purchase whole or fractional shares within a client's account. Through its discretionary authority the Firm will allocate and rebalance shares within a client's account as necessary. Purchases are based on the mandate of the recommended Platinum Tier strategy and the amount invested by the client. The minimum deposit to a client's account will be \$100.

## GOLD TIER STRATEGIES

Gold Tier investment strategies will have a wide range of risk/return profiles. A client must meet minimum eligibility requirements of employment status, annual income, and investment goals to be part of the Gold Tier. Prior to investing in the Gold Tier investment strategies, clients will be provided with a description and objective of each recommended strategy including the number of days the strategy has been live, the type of securities the strategy invests in, the turnover rate, the drawdown rate and the CAGR rate. Additionally, a document displaying an overview of the recommended strategy will also be available for clients to view.

The Firm, via its proprietary algorithm, may purchase whole or fractional shares within a

client's account. Through its discretionary authority the Firm will allocate and rebalance shares within a client's account as necessary. Clients approved to invest in the Platinum Tier will have access to both Platinum Tier investment strategies and Gold Tier investment strategies. This may change if the suitability information provided by the client is revised. The minimum deposit to a client's account will be \$100.

## INVESTING

We use information from the initial questionnaire that all clients are required to complete at onboarding to create an investment portfolio that is customized to each clients' risk tolerance, financial parameters and investment objectives. For each client's portfolio we consider, through our proprietary algorithm, a client's employment status, income, investment goals and reasons to invest, and net assets. Our proprietary algorithms evaluate the responses for each client and recommend investment strategies (described above).

Our recommendations are based solely upon the information provided by each client via the Platform. As such, the suitability of our investment recommendations is limited by and relies on the accuracy and completeness of the information provided by each client. The only type of restrictions a client may impose on the portfolio is the degree of risk level (conservative, moderate and aggressive growth) and the amount of funds invested in each investment strategy. A client will not be able to restrict the purchase of specific securities, however clients will be able to change his/her risk profile or select (switch to) a portfolio with a different risk profile. Clients are obligated to update their information through the Platform as soon as there are changes to their financial situation, goals, objectives, personal circumstances, or if other relevant information changes or becomes available. Clients ultimately decide whether to accept and act upon our investment recommendations.

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**Investing in securities involves risk of loss that clients  
should be prepared to bear.**

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## INVESTMENTS

In the event we decide to remove a stock, exchange traded fund and/or note from any of our strategies, we will notify our clients and our Platform will show the removed or modified position. We will also algorithmically rebalance our clients' portfolio to its original desired risk preference.

Interested parties must access our secure Platform where clients are offered this current Form ADV brochure that describes our services, potential fees, etc., as well as any material conflicts of interest that could be reasonably expected to impair the rendering of unbiased and objective advice.

## CLIENTS

We currently offer investment recommendations and advisory services to retail individual investors, high net worth individuals, registered investment advisors, family offices and other business entities via our Partners which provide access to the Platform. We interact with investment advisory clients, as well as prospective clients, solely through our Platform. We do not offer financial planning services, tax, accounting, or legal advice. Clients can only invest in U.S. securities. Clients will not interact directly with investment advisory personnel.

We reserve the right to deny any prospective clients access to the Platform and to terminate client accounts for reasons related, but not limited, to unsuitability and/or if clients fail to timely maintain financial and other information previously provided by the client on the Platform or update this information on at least an annual basis. A client's failure to timely update this information could materially impact the quality and applicability of Legion's advice and recommendations.

## CLIENT ONBOARDING

At account opening ("Client Onboarding"), the client will be prompted to complete a series of personal financial questions as well as suitability questions prior to investing. Some of these questions determine if the client can invest with Legion. For KYC purposes, clients will be required to disclose their employment status, occupation, annual income, address and citizenship status. Furthermore, clients are also required to disclose if the client or a family member is a senior executive or a 10% shareholder of a publicly traded company; if the client is related to a politically exposed person (PEP); and whether the client is employed by a broker-dealer.

Client Onboarding is only complete once a client has (i) completed our initial questionnaire which includes personal financial questions as well as suitability questions; (ii) electronically accepted and countersigned our investment advisory agreement and brokerage agreement; (iii) electronically received and accepted our Form ADV Part 2A, Form CRS and privacy policy; and (iv) consented to electronic delivery of documents and written communication. Only when Client Onboarding is complete will we provide personalized investment recommendations in one or more of our Strategies. Clients have the availability to choose a strategy to purchase via the Platform. It is important to note that none of our staff will have access to a client's bank account information or a client's login credentials.

## ASSETS UNDER MANAGEMENT

Legion does not currently have assets under management. We expect to update this brochure as soon as we start servicing clients. The Firm will have sole discretion over the assets we manage. The minimum deposit to a client's account will be \$100.

## ADVISORY FEES

Client's pay an investment advisory wrap fee which allows clients to pay a single fee for investment advisory services (the "Wrap Program Fee"), as described below.

The Wrap Program Fee is a bundled fee, which includes the cost for advisory services, execution, clearance, custody and account reporting. Legion charges clients a Wrap Program Fee based on the total net deposits in their account and the investment strategy the client is invested in. The Wrap Program Fee is separate from fees imposed by a client's separate relationship with a Partner.

For clients with less than \$5,000 in net deposits, Legion charges a Wrap Program Fee of \$5.00 per month (fixed fee). For clients with greater than \$5,000 in net deposits, Legion charges a Wrap Program Fee based on the assets under management that clients have invested in one of our two investment strategies.

Legion charges clients who are invested in the Legion Gold Strategies (and have \$5,000 or more in net deposits) a 1.00% advisory fee, per annum, for the assets they have invested in Legion Gold Strategies. Clients invested in Legion's Platinum Strategies (and have \$5,000 or more in net deposits) are charged a 2.00% advisory fee, per annum, for the assets they have invested in Legion Platinum Strategies.

We reserve the right, in our sole discretion, to negotiate, reduce, or waive the advisory fee. Our fees are billed monthly, in arrears.

The asset-based fee is assessed based on the daily market value of a client's portfolio summed over the previous month. For the initial period of an engagement, the Wrap Program Fee is calculated on a pro rata basis. In the event the Investment Advisory Agreement is terminated by either party, the Wrap Program Fee for the final billing period is prorated through the effective date of the termination and the outstanding portion of the Wrap Program Fee is charged to the client. Clients authorize Legion to deduct fees directly from their client account custodied at our custodian or from an external funding source provided by the client. Legion will have no access to the client's account or to a client's external funding source except only to debit investment advisory fees.

Although we have a financial incentive to encourage you to increase your assets under our management, as part of our fiduciary duty as a registered investment adviser we endeavor at all times to put the interests of our clients before our own. Furthermore, as a registered investment adviser we have the utmost duty to provide investment advisory services in good faith, honesty and loyalty to our clients.

Legion has entered into agreements with its Partners whereby Legion compensates its Partners via a revenue sharing structure for referring Clients to Legion, however, there is no differential in the Wrap Program Fee charged to the Client as a result of these agreements. For additional information regarding this arrangement, please see Item 14, below.

#### DIRECT FEE DEBIT OF LEGION'S FEE

Clients authorize and direct Legion to instruct the custodian to deduct the Wrap Program Fee directly from the client's custodial account at our custodian or linked funding source and pay

those fees to Legion. Legion may also take the Wrap Program Fee from a client's account by instructing our broker to deduct such fee from the assets in the client's account, including by selling (liquidating) a sufficient amount of holdings to cover the Wrap Program Fee. Each time a client uses our advisory services, they reaffirm their agreement that Legion may charge the client's account, as applicable.

In the event Legion cannot withdraw fees from the client's account or the client's funding source, Legion reserves the right to terminate a client's access to its advisory services. We will notify clients in writing via the email the client has on file with their account of the potential of termination of our advisory services. Termination of accounts will be undertaken at Legion's sole discretion with prior written notice to the client. Each client may also terminate their account at any time. Upon full termination of a client's account by the client, assets are liquidated as soon as practicable, and money is returned to the client via the client's funding source less any Wrap Program Fee due and owing, if applicable. However, with prior written notice, we may accommodate a client and transfer the client's holdings to another custodian. Clients are advised that transferring their holdings to another custodian may generate fees that client should be prepared to pay. Once the account termination process is initiated, Legion will receive the Wrap Program Fee from the client with respect to the client's account, which will be deducted from the transferring proceeds.

#### PAYMENT OF FEES

Fees are billed monthly in arrears and fee payments are generally withdrawn from the client's account within the first ten days of each month. Legion does not accept cash, money orders or similar forms of payment for any of its engagements, nor do we allow for direct billing. The client's first billing cycle begins once the Advisory Agreement is virtually executed with Legion at onboarding and assets have been invested. Fees for partial months are prorated based on the remaining days in the reporting period in which Legion services the account. All fees deducted will be clearly noted on account statements that the client receives from the custodian.

Please note that each client shares in the responsibility to verify the accuracy of fee calculations; the custodian may not necessarily verify billing accuracy for each client. Clients will receive statements directly from our custodian at least quarterly. We urge clients to carefully review those statements and compare the custodial records to the reports that we provide them. The information in our reports may vary from custodial statements due to accounting procedures, reporting dates or valuation methodologies of certain securities.

#### TERMINATION OF SERVICES

Either party may terminate the Investment Advisory Agreement at any time, which should be done in writing. If a client orally notifies Legion of the termination and if, within two business days following this notification Legion has not been sent the written notice by the client, Legion will prepare and send a written notice of the termination to the client.

Upon receipt of a termination notice or when a termination is sent to a client, Legion will not be responsible for future investment allocation, advice or transactional services (except for

limited closing transactions). Legion will inform our broker/custodian that the Investment Advisory Agreement has been terminated and our broker/custodian will close the account within seven days of termination.

#### ADDITIONAL CLIENT FEES

There are no sales loads, brokerage fees, mark-ups, mark-downs, spreads paid to market makers, or brokerage termination or account surrender fees associated with our programs. A client may, however, incur certain separate charges imposed by their separate relationship with a Partner or the broker or custodian, such as: wire transfer and electronic fund fees, retirement plan custodial fees, or account termination fees, in addition to certain taxes on non-retirement brokerage accounts, which are described in the fee schedule that is provided to the client prior to account inception.

#### SERVICES PURCHASED SEPARATELY

The total costs associated with our Wrap Fee Program may be more or less than separately purchasing brokerage and advisory services by our clients. The factors that bear upon the relative costs of our Wrap Fee Program includes the number and timing of transactions, referral fees (if any), portfolio management and custody fees, regulatory, compliance, and administrative charges, research costs, and promotional materials, among others. These and other factors may affect the cost of obtaining these services separately from another provider.

Clients should always consider other programs offered by other firms, as well as whether paying separately for investment advice, brokerage, and other services is more appropriate for their personal situation.

### Item 5 - Account Requirements and Types of Clients

We generally offer our advisory services to retail individual investors, high net worth individuals, registered investment advisors, family offices and other business entities. We reserve the right to waive or reduce certain fees based on unique individual circumstances, special arrangements, pre-existing relationships, or as otherwise may be determined by Legion. At a minimum, we gather information from the client about the client's financial situation, investment objectives, and risk tolerance. This data is then used to determine the appropriate strategy to recommend to each client.

We require clients to complete, in its entirety, our new account questionnaire, including submitting various personally identifiable information required by U.S. federal law. Clients approved for an investment advisory account with us must maintain a brokerage account with our chosen broker/custodian.

#### VERIFYING CLIENT IDENTITY AT THE BROKER/CUSTODIAN LEVEL

To help the government fight the funding of terrorism and money-laundering activities, federal law requires our broker/custodian to verify a client's identity. If the broker/custodian is not

able to verify a client's identity at account opening or throughout the advisory relationship, Legion will restrict the account from trading and the billing of fees until the restriction is resolved.

## Item 6 – Portfolio Manager Selection and Evaluation

Legion is the manager of the various strategies it offers to its clients via the Platform. Management of a client's portfolio is done pursuant to an Investment Advisory Agreement that is electronically signed by each client at onboarding.

### INVESTMENT METHODOLOGY

Legion employs sophisticated algorithms to continually monitor a wide range of institutional data sources to identify systematic market opportunities in real time, and to make trading decisions in fractions of a second. These algorithms are developed, overseen, and monitored by Legion's investment advisory personnel. When clients sign up for a Legion account, an algorithm, developed by Legion's investment advisory personnel, determines Legion's recommended strategies based on inputs from the client.

### MANAGEMENT THROUGH SIMILARLY MANAGED "MODEL" ACCOUNTS

Legion manages client accounts using similarly managed model portfolios, in which all or a portion of the client's assets are allocated among equity securities, exchange traded funds and notes, and cash equivalents in accordance with the strategy the client chooses. For each client investment goal, Legion has developed a number of quantitative investment strategies that invest in a selected number of equity securities that change as the Legion algorithms deem appropriate. The securities selected and the hedging techniques employed are contingent on each investment strategy.

Legion recommends different investment strategies based on our Clients' risk preferences and investment objectives. The only types of restrictions a client may impose on investment strategies is the amount of funds in the client account, and the investment strategies that a client would like to invest in. A client will not be able to select specific securities or restrict the purchase of specific securities, but each client will be able to change his/her risk profile or select (switch to) an investment strategy with a different risk profile.

Legion monitors and manages client accounts, including but not limited to security selection, rebalancing (generally no less than quarterly), and other investment considerations. While Legion seeks to ensure that client assets are managed in a manner consistent with their individual investment objectives and risk tolerance, securities transactions effected pursuant to a model investment strategy are usually done without regard to a client's individual tax ramifications. As a consequence of rebalancing, clients may incur potentially adverse tax consequences. Legion does not render tax advice to clients, who should consult their own tax advisors for specific guidance.

Legion reserves the right, at any time and without notice, to delay or manage trading in response to market instability. Legion delays or manages trading when it determines it is appropriate to respond to extraordinary circumstances of market instability, as is evidenced by extreme instances of elevated localized volatility, insufficient or unstable market depth, price dislocation, incomplete execution, fast markets, and rapidly widening bid-ask spreads. In the event Legion delays placing orders in response to extraordinary market volatility for greater than sixty consecutive minutes during the Legion's typical trading hours of 10:00 a.m. to 4:00 p.m., Legion will undertake to provide notice of such delays to clients by posting a message via Legion's online interface. For the avoidance of doubt, Legion does not delay or manage trading based on any view about whether markets are likely to rise or fall.

## CLIENT TAILORED SERVICES

Each client is asked to provide personal information to assist Legion in recommending a portfolio suited to the client's particular circumstances. While the accuracy of the data provided by the client is important to our investment recommendations, Legion is not required to verify any such data and is expressly authorized to rely on the client's representations. Investment advice is limited to accounts managed by Legion and does not take into consideration accounts held outside of Legion.

Once a client has accepted our strategy recommendation(s), the client must open an account at the custodian in order to participate in the investment program. The client must authorize Legion to exercise discretionary trading authority over the designated account. Once a strategy has been selected by the client, Legion will exercise its discretionary authority to execute trades for the initial allocation of the selected portfolio and also for ongoing rebalancing. The client is free to accept or reject investment recommendations from Legion.

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**Clients are advised that investing in securities involves risk of loss  
that they should be prepared to bear.**

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## RISK OF LOSS

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 investing with Legion and its strategies. 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.

**Dollar-Based Transactions and Fractional Shares:** A fractional share program allows clients to purchase securities in dollar amounts rather than share quantities. Trading in fractional shares has unique risks and limitations that clients should understand prior to participation. Fractional shares may not be liquid. Fractional shares are not transferable. In the event of an account closing or transfer to another firm, the fractional shares will likely need to be liquidated, resulting in potential fees. Fractional shares cannot be put into certificate form and mailed. Holders of fractional shares will not have voting rights for the fraction of a share

owned, even if more than .50 shares are in their account.

**Market Risk:** The price of a security, mutual fund and/or exchange-traded fund may drop in reaction to tangible and intangible events and conditions. This type of risk is caused by external factors independent of a security's particular underlying circumstances. For example, 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 may cause that client account to underperform relative to the overall market.

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

**Volatility and Correlation Risk:** Clients should be aware that Legion's 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 may not reflect actual future performance. **Equity-Related Risk:** Investing in individual companies involves investments in common stocks and is subject to the volatility and individual risks associated with those stocks. 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.

**Concentration of Investments:** The portfolios will typically hold a relatively small number of security positions, which will expose the portfolio to the particular industry or market sector the security represents and the value of the specific company. Losses in one or more positions, or a downturn in an industry or market sector in which the company participates, could adversely affect the portfolio's performance in a particular period.

**Hedging:** Although hedging strategies in general are usually intended to limit or reduce investment risk, they may not achieve the anticipated effect. In fact, they may result in poorer overall performance for the portfolio than it could have achieved had it not engaged in such

hedging transactions. Furthermore, the portfolio will always be exposed to risks that cannot be hedged.

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 Legion invests in ETF securities, they will pay two levels of compensation – the Wrap Program Fee charged by Legion 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. ETFs typically include 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. Shareholders are also liable for taxes on any fund-level capital gains, as ETFs are required by law to distribute capital gains in the event they sell securities for a profit that cannot be offset by a corresponding loss.

Credit Risk: Legion cannot control and Clients are exposed to the risk that financial intermediaries or 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. Legion seeks to limit credit risk through ETFs, which are subject to regulatory limits 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, 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.

**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.

**Automated Investing:** Legion relies on static questionnaires consisting of a limited number of questions that form the sole basis for its investment recommendations. Such questionnaires are very limited in nature. The questions may not, or may not accurately, capture an individual Client's needs. Although Clients may change and update their responses, Legion does not, at this time, make investment advisory personnel available to Clients to highlight and explain important concepts or clarify the details of a specific Client's financial goals and needs. Online and electronic interactions are limited compared to face-to-face individual advice.

**Operational Risk:** Operational risk is the exposure to the chance of loss arising from shortcomings or failures in internal processes or systems of Legion or Embed, external events impacting those systems, and human error. A Client account may suffer a loss arising from shortcomings or failures in internal processes, people or systems, or from external events. Operational risk can arise from many factors ranging from routine processing errors to potentially costly incidents related to, for example, major systems failures.

Trade errors and other operational mistakes ("Operating Events") occasionally may occur in connection with Legion's management of client accounts. Legion has policies and procedures that address identification and correction of Operating Events. An Operating Event generally is compensable by Legion to a client when it is a mistake (whether an action or inaction) in which Legion has, in Legion's reasonable view, deviated from the applicable investment guidelines or the applicable standard of care in managing a client account, subject to the considerations set forth below.

**Cybersecurity Risks:** Legion 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 Legion's clients by interfering with the processing of transactions, affecting Legion's ability to calculate net asset value 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 Legion to civil liability as well as regulatory inquiry and/or action. In addition, clients could be exposed to additional losses as

a result of unauthorized use of their personal information.

While we have established business continuity plans, incident responses 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 in which we invest, which could result in material adverse consequences for such issuers and may cause a client's investment in such securities to lose value.

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

**Market Volatility:** General economic conditions have an impact on the success of Legion's investment strategies. Changing external economic conditions in the U.S. and global economics could have a significant impact on the success of the Legion app and Clients' investments. The stability and sustainability of growth in global economies may be impacted by terrorism or acts of war. There can be no assurance that such markets and economic systems will be available for issuers of securities available via the Legion app to operate. Changing economic conditions, thus, could potentially adversely impact the valuation of clients' investments in securities via the Legion app.

**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 that the investment.

**Novel Coronavirus Pandemic, Public Health Emergency and Global Economic Impacts:** As of the date of this Form ADV Part 2A, 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 work force, 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 Legion's and/or a Client's operational and financial performance and each Client's investments 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 the value, performance and liquidity of a client's investments, Legion's ability to source, manage and divest investments and Legion's 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 likely will adversely impact the business and operations of clients, Legion, and their 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, clients, Legion 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 Legion's and/or a client's operational and financial performance and each client's investments 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 a client participates (or has a material effect on any locations in which Legion operates or on any of its personnel) the risks of loss could be substantial and could have a material adverse effect on clients or the ability of Legion to fulfill its investment objectives on behalf of its clients.

**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 7 - Client Information Provided to Portfolio Managers

Legion manages all the strategies directly. Clients should consider revisiting previously entered data to update their information through the Platform if a material event has occurred so that Legion can review and potentially adjust the client's portfolio.

## Item 8 - Client Contact with Portfolio Managers

Legion provides all clients with continuous access to their account information and documents via the Platform. Clients also receive periodic e-mail communications describing account information, product features, and portfolio performance. Legion shall contact clients at least annually, via email or via the Platform, to determine if there have been any changes to a client's financial situation or investment objectives. Legion may request clients resubmit their onboarding questionnaire which contains several suitability questions to ensure the client's account is current.

Clients should consider that Legion primarily uses electronic means to provide customer support. To receive general customer support, such as a lost password or technology issues, clients may contact us via email through the Platform. Clients and prospective clients should be comfortable communicating through those channels. Further, clients should understand that they will not interact directly with investment advisory personnel.

## Item 9 - Additional Information

### DISCIPLINARY INFORMATION

Neither Legion nor any member of our management have been involved in a material criminal or civil action in a domestic, foreign or military jurisdiction, an administrative enforcement action, or self-regulatory organization proceeding that would reflect poorly upon our advisory business or our integrity.

### CODE OF ETHICS, PARTICIPATION OR INTEREST IN CLIENT TRANSACTIONS AND PERSONAL TRADING

Legion has adopted a Code of Ethics that establishes policies for ethical conduct for all its personnel and accepts the obligation not only to comply with all applicable laws and regulations but also to act in an ethical and professionally responsible manner in all professional services and activities. Legion's policies include prohibitions against insider trading, circulation of industry rumors, and certain political contributions, among others. Legion periodically reviews and amends its Code of Ethics to ensure it remains current and

requires all personnel to annually attest to their understanding of, and adherence to, the Code of Ethics. A copy of Legion's Code of Ethics is made available to any client or prospective client upon request.

#### ADVISORY FIRM/PERSONNEL PURCHASES OF SAME SECURITIES RECOMMENDED TO CLIENTS AND CONFLICTS OF INTEREST

Legion does not trade for its own account (i.e., proprietary account trading). Legion's employees may buy or sell securities that are the same as, similar to, or different from, those recommended to clients for their accounts. A recommendation made to one client may be different in nature or in timing from a recommendation made to a different client as clients often have different objectives and risk tolerances.

At no time will Legion or a related person receive preferential treatment over a client. We have adopted policies and procedures including our Code of Ethics to ensure our clients are not disadvantaged.

#### REVIEW OF ACCOUNTS

Legion's personalized advice to each client is rendered through the Platform (as defined in Item 4 above) and is designed to be acted upon by the clients themselves. Non-periodic reviews may be performed by our staff or our programmed systems in response to material market, economic, or political events, or by changes in a client's financial situation (e.g., changes in employment, relocation, an inheritance, etc.). Clients should consider revisiting previously entered data to update their information if a material event has occurred so that Legion can review and potentially adjust the client's portfolio.

#### CLIENT REFERRALS

Legion offers nominal compensation amount to clients who may recommend and refer their friends and family to Legion and become new clients. Compensation may include a reduction of our investment advisory fee to both the client who recommends or refers a new client and the referred client.

Legion may have certain arrangements in which it pays third parties (e.g., bloggers and others) who post advertisements at a flat fee per each referred client. New clients are advised of such compensation prior to opening an account. Referring clients and promoters must adhere to terms and conditions established by Legion and set forth in an agreement with Legion in accordance with Securities and Exchange Commission Rule 206(4)-1 under the Advisers Act. Referrals can only be made within the Platform. Clients are not charged any fee or other costs for being referred to Legion by a current client, marketer, promoter, or other strategic partners.

These arrangements may create an incentive for a third party or other existing client to refer prospective clients to Legion, even if the third party would otherwise not make the referral. These arrangements may also create a conflict of interest for a client to maintain a certain

level of assets managed through Legion if doing so would result in eligibility to receive an incentive, bonus, or additional compensation.

Legion has entered into agreements with its Partners whereby Legion compensates its Partners via a revenue sharing structure for referring clients to Legion. An agreement with a Partner may create an incentive for a Partner to refer a prospective client to the Adviser, even if a Partner would not otherwise make the referral. Clients will be provided with a statement within the Platform that contains disclosures such as compensation of a Partner, whether the Partner is affiliated with Legion and any material conflicts of interest regarding these arrangements. Clients will need to acknowledge this statement within the Platform. There is no differential in the management fees charged to a client and the Adviser will not charge clients any additional fees or expenses as a result of these Partner agreements.

In addition, Legion personnel are eligible for variable compensation based on the firm's growth. This compensation is based on firm-wide targets, individual targets, or both.

## TRAINING EVENTS

Periodically Legion may participate in Legion-hosted or third-party hosted training and educational conferences, seminars, trade shows, booth events, or similar events ("Training Events"). Our participation in Training Events is subject to our Code of Ethics and Legion does not recommend products or services of third parties based on their involvement in Training Events.

## ECONOMIC BENEFIT FROM EXTERNAL SOURCES AND POTENTIAL CONFLICTS OF INTEREST

Legion may offer its clients a corporate benefit program where Legion partners with businesses to provide certain services to its clients ("the Corporate Benefit Program"). Clients receive certain benefits if they open an account with their work email address and if a certain amount of a client's work colleagues also open an account with us then the client will be eligible for certain benefits.

A conflict of interest may exist by reason of Legion contracting with certain business partners that may primarily benefit Legion than those that primarily benefit the client. However, we will base our decision to contract with corporate partners exclusively on the judgment of what will best serve the financial interests of our clients.

## CUSTODY

Legion's client assets are maintained in an account in the client's name at our custodian. The custodian also provides settlement and clearing services with respect to trades booked to the account. Accordingly, client assets are not physically maintained by Legion.

## VOTING CLIENT SECURITIES

Legion does not have, and will not accept, authority to vote client securities. Generally, clients receive their proxies or other solicitations directly from their custodial broker-dealer or a transfer agent, as applicable, and should direct any inquiries regarding such proxies or other solicitations directly to the sender.

## FINANCIAL INFORMATION

Legion does not require or solicit prepayment of fees by clients six or more months in advance and is therefore not required to include a balance sheet for its most recent fiscal year.

Legion is not aware of any financial condition reasonably likely to impair its ability to meet contractual commitments to clients and has not been the subject of a bankruptcy petition at any time during the past ten years.