

# **Form ADV Part 2A**

## **Firm Brochure**

Parker Investment Management, LLC

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This brochure provides information about the qualifications and business practices of Parker Investment Management, LLC ("Parker Investment"). If you have any questions about the contents of this brochure, please contact us by telephone at (650) 326-0387 and/or email at [staff@parkerinvest.com](mailto:staff@parkerinvest.com).

Parker Investment is an SEC registered investment adviser. Registration does not imply a certain level of skill or training. 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 Parker Investment also is available on the SEC's website at [www.adviserinfo.sec.gov](http://www.adviserinfo.sec.gov).

Date of the Brochure: March 23, 2023

**Item 2: Summary of Material Changes**

This Brochure contains updated information about Parker Investment Management, LLC's (referred to herein as "Parker," "Firm," "Company" or "Adviser") business since the last annual update dated March 18, 2022. This section of the Brochure will address only those "material changes" that have been incorporated since the last annual delivery of this document on the SEC's public disclosure website (IAPD). The Material Changes section of this brochure will be updated annually or when material changes occur since the previous release of the Firm Brochure. Parker wants to make you aware of the following material changes:

We have expanded the disclosure in Item 4 – Advisory Business to explain covered call strategy to our investors.

We have expanded the disclosure in Item 6 – Performance-Based Fees and Side-By-Side Management to include covered call strategy.

We have expanded the disclosure in Item 8 - Methods of Analysis, Investment Strategies and Risk of Loss to reflect additional risks related to Parker.

We have expanded the disclosure in Item 12 – Brokerage Practices to reflect additional risks and conflicts related to share class selection of mutual funds.

Additional information about Parker is also available via the SEC's web site [www.adviserinfo.sec.gov](http://www.adviserinfo.sec.gov). The SEC's web site also provides information about any persons affiliated with Parker who would be required to be notice filed as investment adviser representatives of Parker. Currently, our Brochure may be requested by contacting Parker Investment Management, LLC at (650) 326-0387.

Clients and prospective clients are strongly encouraged to review this Brochure very carefully. Pursuant to SEC Rules, Parker Investment will ensure that clients receive a summary of any material changes to this Brochure within 120 days of the close of our fiscal year, along with a copy of this Brochure or an offer to provide this Brochure. Additionally, as Parker 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 visit [www.parkerinvest.com](http://www.parkerinvest.com). Additional information about the firm and our investment adviser representatives is available on the SEC's website at [www.adviserinfo.sec.gov](http://www.adviserinfo.sec.gov).

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## **Item 4: Advisory Business**

### **4.A Firm Description and Principal Owner**

Parker Investment Management, LLC (“Parker Investment” or the “Firm” or “We”) was formed on March 6, 2007 with the goal of providing asset management services to clients in a manner that delivers results accordant with the firm's founding principles.

The history of the firm dates back to 1987 when founder John W. Parker began providing investment services to clients on a part-time basis. In 1999 Mr. Parker’s firm became a federally registered investment adviser, and in 2010 Mr. Parker changed his business structure from a sole proprietorship to a single-member LLC.

Mr. Parker is the sole owner.

### **4.B Types of Advisory Services**

We offer investment management services to individuals, retirement plans, charitable organizations, and corporations. We are required by law to act as fiduciaries, which means we must always put our clients’ interest first. We take great pride in following this standard. We invest primarily in no-load mutual funds and exchange traded funds (“ETFs”). Clients can choose one of three customizable strategies: Growth, Growth & Income, or Income. In addition, we may purchase in client accounts individual stocks. We may further customize our investment strategies to the unique circumstances of clients.

In addition, we offer a covered call strategy (Parker Covered Call Strategy) for no additional cost to interested clients who meet certain suitability requirements and complete a Fidelity Options Application, which must be reviewed and approved by Fidelity Investments.

The goal of the Parker Covered Call Strategy is to generate an income stream through the selling of “out of the money” (above the current price of the underlying security) call options and maintain significant upside appreciation potential of the underlying stock or ETF position. The Parker Covered Call Strategy also attempts to reduce the volatility exposure of the overall portfolio by acting as a partial hedge for the long underlying stock or ETF position.

To mitigate the risks associated with covered call writing, the publicly traded stock or ETF position held by such a client cannot be:

- 1) Restricted from trading on a recognized stock exchange;
- 2) Pledged or loaned out; or
- 3) Managed or be part of a portfolio that is managed by another investment advisor on a discretionary basis.

### **4.C Tailored Services and Client Restrictions**

We generally have full discretion to trade our clients' accounts, which means we decide what to buy and sell and when to do so without first consulting with our clients before making a trade. We tailor our advisory services to the individual needs of our clients based

upon different factors including, but not limited to, clients investment objectives, risk tolerance, tax concerns, minimum holding periods required by securities in which clients assets are invested, effect of possible transaction fees on the portfolio, institutional rules limiting the number or size of transactions, and other factors. As a consequence, transactions, holdings and results will likely vary from client to client and from account to account.

#### **4.D Wrap Fee Programs**

We do not participate in any wrap fee programs.

#### **4.E Client Asset Amounts**

As of December 31, 2022, we managed approximately \$413,708,367 of client assets on a discretionary basis.

### **Item 5: Fees and Compensation**

#### **5.A Fee Schedule**

We offer two methods for calculating our fee for our standard service (“Management Fee”) – an Assets Based Method and a Gains Based/Minimum Fee Method. Our fees for our standard service are not negotiable.

##### **Assets Based Method of Compensation**

Our Assets Based Fee Rate is 0.25% (one-quarter of one percent) of the account value per calendar quarter (which is roughly equivalent to an annual fee of 1.0%). The Assets Based Fee Rate is applied to the account value on the last day of the quarter to calculate the Assets Based Management Fee. If there are any deposits or withdrawals during a quarter, the fee is adjusted so the client is only billed for the time that we managed actual client assets.

##### **Gains Based/Minimum Fee Method of Compensation**

The basic idea of the Gains Based/Minimum Fee Method is to charge a fee equal to 10% of the investment gain due to the investments in the account during the period since the last billed gains fee, subject to a minimum fee of 0.125% (one-eighth of one percent) of the account value per calendar quarter in quarters when the amount of the gains fee would be less than the amount of the minimum fee. If there are any deposits or withdrawals during a quarter, the fee is adjusted so the client is only billed for the time that we managed actual client assets. In addition, any Minimum Fees charged would be included as credits in calculating any future gains fees.

##### **Billing Method Change**

For clients who qualify for both billing methods, per section “Client’s Eligibility For Gains Based Management Fee Method” in the Investment Management Agreement, the client may

choose to change the billing method starting on the next calendar quarter by executing the then-current Investment Management Agreement and making the appropriate billing method selection.

## **5.B Frequency of Billing and Payment Options**

We send the client a bill for the management fee after each calendar quarter. We may choose to not send a bill if the management fee is less than a threshold amount of our choosing, and may instead defer billing until a future quarter. The client will have the option to pay the management fee either: (a) by direct payment to us; or (b) by authorizing us to deduct the management fee from its corresponding account(s); or (c) by instructing us to deduct the management fee for one or more of the client's retirement accounts from the Client's non-retirement account(s) under our management. The client can indicate whether the instructions are for that calendar quarter only or whether they are also "Standing Instructions" to do the same in all future quarters. The client has the opportunity to update its instructions any time in the future, and we send the client a form to update management fee deduction instructions each time we send a bill even if the client has "Standing Instructions."

If we have not received the client's direct payment within thirty (30) days after we mail the client's bill for the management fee, then we may deduct the management fee from the client's corresponding account(s) without separate authorization from the client. Any management fees that are deducted from the client's account are treated as a client withdrawal when calculating future management fees.

## **5.C Other Fees**

Parker Investment's fees are exclusive of any, to the extent relevant, fees paid to independent third parties for services including, but not limited to custodial fees, brokerage commissions, transaction fees, bank service fees, wire transfer and electronic fund transfer fees, short-term redemption fees, margin borrowing, and other fees and taxes on brokerage accounts and securities transactions. Clients may invest in mutual funds as part of Parker Investment's investment strategy. Investments in mutual funds and ETFs, however, generally include an embedded investment management fee paid to the investment adviser of the mutual fund. As such, client portfolios with investments in those types of securities will be subject to more than one layer of management fees.

Also, we sometimes choose to buy a different class of a mutual fund which currently has a \$30 buy and a \$30 sell fee charged by the broker-dealer if: (a) that class of the mutual fund has a lower internal fund expense ratio than the class which has no buy or sell fees; and (b) the anticipated savings, based on our expectation of how long we will hold that fund, from the lower internal fund expense ratio will be greater than the combined buy and sell fee.

## **5.D Fees Paid In Advance**

There are no fees paid in advance.

## **5.E Other Forms of Compensation**

We do not receive any form of compensation from the buying or selling of securities nor

commissions.

## **Item 6: Performance-Based Fees and Side-By-Side Management**

Some of our clients pay a management fee based on performance while others pay a management fee based on assets under management.

We avoid possible conflicts of interest and the incentive to favor different accounts, such as accounts of different sizes (e.g., large vs. small) and different billing methods (e.g., the Gains Based/Minimum Fee Method vs. the Assets Based Method), in the following ways:

- We typically invest client accounts in liquid, public securities, mostly mutual funds and ETFs. We have not run into issues where limitations on the quantity of securities available to buy or sell pressure us to make subjective judgment calls regarding trade allocations.
- In making or allocating trades, we do not take into consideration which billing method an account uses.
- In deciding to trade a position, we consider many different criteria to determine what is in the best interest of each account. For example, our criteria might include: (a) how the trade would affect the allocation of the account between different asset classes (b) what percentage of the account that position represents; (c) transaction fees as a percentage of the dollar value of the transaction in the account; and (d) possible tax consequences in taxable accounts. In taxable accounts, we strive to maximize tax efficiency. The ability, in taxable accounts, to accumulate long-term capital gains over long periods of time while deferring taxes is one of the keys to success in long-term investing.

In addition, as noted above in Section 4.B Types of Advisory Services, we offer a covered call strategy (Parker Covered Call Strategy) for no additional cost to interested clients who meet certain suitability requirements and complete a Fidelity Options Application, which must be reviewed and approved by Fidelity Investments. The Parker Covered Call Strategy is primarily used to generate income and reduce the volatility exposure of the overall portfolio by acting as a partial hedge for the long underlying stock or ETF position. Clients understand and acknowledge that this strategy may result in reduced or limited participation in the future appreciation of the stock or ETF position.

## **Item 7: Types of Clients**

We provide investment advisory services to individuals, high net worth individuals, pension and profit share plans, trusts, estates, charitable organizations, corporations, and other business entities. There is no minimum account size required to open or maintain an account.



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

### **8.A Investment Strategies**

Our core investment strategy has two key elements. First, we determine the relative weightings within the client's parameters to give to different asset classes based on our evaluation of which will outperform market averages for our investment time horizon. Then we implement the allocations to those asset classes by identifying what we believe will be the best performing no-load mutual funds and/or ETFs within those asset classes. Occasionally, we may purchase in client accounts individual stocks which we think have a very attractive long-term outlook that also meet our other criteria for security selection within the portfolio. We may also offer a customized option strategy using covered call options. Implementing an option strategy requires a client to complete the custodian's application and receive approval from the custodian.

Rather than maintaining a fixed allocation to the major asset classes, we vary the weighting of different asset classes during different time periods depending on market conditions, our expectations of their future performance, as well as other factors. As a result, our portfolios may be concentrated in certain asset classes rather than broadly diversified. We pay particular attention to the relative performance of the following major asset classes:

- Fixed income versus equity
- US equities versus foreign equities
- Developed markets versus emerging markets
- Large-cap stocks versus mid-cap stocks versus small-cap stocks
- Growth stocks versus value stocks

For interested clients who meet certain suitability requirements and complete a Fidelity Options Application, which must be reviewed and approved by Fidelity Investments, we may use options as an investment strategy. An option is a derivative contract where, for a premium payment or fee, the buyer is given the right, but not the obligation, to buy (a call option) or sell (a put option) an underlying asset (such as a share of stock) at a specific price during a period of time or on a certain date or dates. An option, just like a stock or bond, is a security. An option is also a derivative, because it derives its value from an underlying asset.

The two types of options are calls and puts:

- A call option gives us the right to buy an asset at a certain price (the strike price) within a specific period of time. We may buy a call option if we anticipate that the stock will increase substantially before the option expires.
- A put option gives the holder the right to sell an asset at a certain price (the strike price) within a specific period of time. We may buy a put option if we anticipate that the price of the stock will fall before the put option expires.

### **Selling Out-of-the-Money Covered Call Options ("Parker Covered Call Strategy")**

As noted above in Section 4.B Types of Advisory Services, we offer a covered call strategy (Parker Covered Call Strategy) for no additional cost to interested clients who meet certain suitability requirements and complete a Fidelity Options Application, which must be reviewed

and approved by Fidelity Investments. Generally, call options sold will be at various “out of the money” strike prices and various future expirations ranging from either one to twelve months or longer than twelve months. The sale of call options against the underlying stock or ETF position generates premium income, which could enhance the overall return of the portfolio while also reducing its overall volatility exposure. This strategy, however, may effectively cap the upside market appreciation of the stock or ETF position if its price rises above the option strike price at or before option expiration.

In this scenario, in order to prevent the underlying stock or ETF position from becoming “in the money” (strike price below the current price of the underlying security) and possibly be “called away” (when the buyer of the call option exercises the option to purchase the underlying security at the strike price of the call option), Parker may choose to buy back the call option before it becomes “in the money.” Following such “covering” transactions, Parker may choose to sell a new tranche of “out of the money” call options with a farther “out of the money” strike and the same or different expiration date. When managing the risk of options trades, Parker may use probability analysis based upon market volatility information or other proprietary options investment techniques.

Parker will continually monitor all options positions in client accounts and evaluate the liquidity of the options market for the specific call options it attempts to sell. Parker will manage the rolling forward of positions at or before expiration as appropriate and as market conditions change. While Parker will attempt to buy back the “out of the money” call options before they become “in the money” and protect against the exercise of “in the money” call options against the underlying stock or ETF position and the realization of taxable gains if such event were to occur, Client acknowledges their understanding that no assurances can be made that such events will not occur. Furthermore, Parker will attempt to manage risk by selling call options at various prices above the security’s current price (“out of the money”) and at various future expiration dates. Client understands and acknowledges that this strategy may result in reduced or limited participation in the future appreciation of the stock or ETF position.

With respect to certain Client accounts, it may be necessary to sell a portion of the underlying stock or ETF positions (and realize taxable gains) in order to cover any negative cash or margin shortfalls from “covering” transactions when Parker buys back the call options that it previously sold as they become “in the money.”

Generally, “out of the money” call options may either be allowed to expire worthless or be repurchased prior to expiration so that a new tranche of “out of the money” call options with the same or different expiration date may be sold to generate additional premium income.

Client should consult with their tax advisor to address the income tax consequences of options trading strategies as relevant to their specific situation. Client also acknowledges their responsibility to notify Parker in writing of any restrictions or prohibited transactions related to the securities held in their account.

## **8.B Investment Principles**

Minimizing the costs of investing is vital for long-term investment success. Costs matter because investment returns are reduced dollar-for-dollar by the fees, commissions, and transaction expenses incurred. We take pride in keeping the cost of managing our client

accounts low by implementing our investment strategy as described above.

Account holdings and performance can vary from account to account, depending on such factors as when money was deposited or withdrawn and tax considerations for taxable accounts. When money is deposited or withdrawn, we consider tax consequences, transaction fees as a percentage of the transaction amount, and market conditions in deciding what to buy or sell, so the relative weighting of the holdings in the account may change.

## **8.C Research and Analysis**

In formulating and undertaking our investment strategy, we analyze a variety of factors.

We identify price trends by looking at charts comparing relative strength of different asset categories using a proprietary system which we developed. We also identify trends by paying attention to data relating to money flows, such as mutual fund flow data. We obtain information about institutional fund flows by listening to institutional asset managers, reading their commentaries and reports sent to financial professionals. We pay close attention to studies of investor sentiment and how investors are investing their money. Interpreting this information is an art. When everyone likes an asset class, it is probably near a top, but smart institutional investors often give the first indication of a trend change when they begin to show interest in an out-of-favor asset class.

We also pay close attention to volatility, which often gives us information about whether a trend is in an early or a late stage. Volatility tends to increase as valuations become extended in the late stages of a trend, which is a signal for us to begin to readjust our holdings.

## **8.D Sources of Information**

The main sources of information that we draw from include real-time and historical market data, live market news provided online and on television networks, proprietary research purchased by subscriptions, research materials prepared by financial institutions for financial professionals, product-specific research analyses conducted by the investment staff during due diligence processes, phone calls and interviews with institutional management teams, financial newspapers and magazines, newsletters, and other electronic financial publications.

## **8.E Risk of Loss**

All investing and trading activities risk the loss of capital. There is no assurance can be given that the investment activities of an account we advise will achieve the investment objectives of such account or avoid losses. Investing in securities involves risk of loss that you should be prepared to bear. We do not represent or guarantee that our services or methods of analysis can or will predict future results, successfully identify market tops or bottoms, or insulate you from losses due to market corrections or declines. We cannot offer any guarantees or promises that your financial goals and objectives will be met. Past performance is in no way an indication of future performance. It is important that you understand the risks associated with investing.

Except as may otherwise be provided by law, we are not liable to clients for:

- Any loss arising from our adherence to your instructions or the disregard of our recommendations made to you; or
- Any act or failure to act by a custodian or other third party to your account.

The information included in this brochure does not include every potential risk associated with an investment strategy, technique or type of security applicable to a particular client account. You are encouraged to ask questions regarding risks applicable to a particular strategy or investment product and read all product-specific risk disclosures. It is your responsibility to give us complete information and to notify us of any changes in financial circumstances or goals.

There are certain additional risks associated when investing in securities; including, but not limited to:

- 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.
- General Economic Conditions: Changes in general economic conditions may affect a client's activities. Interest rates, general levels of economic activity, the price of securities and participation by other investors in the financial markets may affect the value and number of investments made by a client or considered for prospective investment. Material changes and fluctuations in the economic environment, may affect a client's ability to make investments and the value of investments held by the client or the client's ability to dispose of investments. A client's portfolio investments can be expected to be sensitive to the performance of the overall economy. No assurance can be given as to the effect of these events on a client's investments or investment objectives.
- Legal and Regulatory Risks: The regulation of the U.S. and non-U.S. securities markets investment funds has undergone substantial change in recent years and such change may continue. The effect of such regulatory change on the accounts and/or the underlying investment funds could be difficult to predict.
- Inflation Risk: The Firm's portfolios face inflation risk, which results from the variation in the value of cash flows from a financial instrument due to inflation, as measured in terms of purchasing power.
- Market or Interest Rate Risk: The price of most fixed income securities move in the opposite direction of the change in interest rates. For example, as interest rates rise, the prices of fixed income securities fall. If the Firm holds a fixed income security to maturity, the change in its price before maturity may have little impact on the Firm portfolios' performance. However, if the Firm

determines to sell the fixed income security before the maturity date, an increase in interest rates could result in a loss.

- Market Volatility: The profitability of the portfolios substantially depends upon the Firm correctly assessing the future price movements of stocks, bonds, options on stocks, and other securities and the movements of interest rates. The Firm cannot guarantee that it will be successful in accurately predicting price and interest rate movements.
- Trading Limitations: For all securities, instruments and/or assets listed on an exchange, including options listed on a public exchange, the exchange generally has the right to suspend or limit trading under certain circumstances. Such suspensions or limits could render certain strategies difficult to complete or continue and subject the account to loss. Also, such a suspension could render it impossible for the Firm to liquidate positions and thereby expose the client account to potential losses.
- Recommendation of Particular Types of Securities: In some cases, the Firm recommends mutual funds. There are several risks involved with these funds. These funds have portfolio managers that trade the fund's investments in agreement with the fund's objective and in-line with the fund prospectus. While these investments generally provide diversification there are some risks involved especially if the fund is concentrated in a particular sector of the market, uses leverage, or concentrates in a certain type of security (i.e., foreign equities). The returns on mutual funds can be reduced by the costs to manage the funds. Open end funds may have a diluted effect on other investors' interest due to the structure of the fund while closed end funds have limited shares which rise and fall in value according to supply and demand in the market. As a result, closed end funds typically price differently than the net asset value ("NAV").
- Firm's Investment Activities: The Firm's investment activities involve a significant degree of risk. The performance of any investment is subject to numerous factors which are neither within the control of nor predictable by the Firm. Such factors include a wide range of economic, political, competitive and other conditions (including acts of terrorism and war) that may affect investments in general or specific industries or companies. The markets may be volatile, which may adversely affect the ability of the Firm to realize profits on behalf of its clients. As a result of the nature of the Firm's investing activities, it is possible that the Firm's results may fluctuate substantially from period to period.
- 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.
- Company Risk: When investing in stock positions, there is always a certain

level of company or industry specific risk that is inherent in each investment. This is also referred to as unsystematic risk and can be reduced through appropriate diversification. There is the risk that the company will perform poorly or have its value reduced based on factors specific to the company or its industry. For example, if a company's employees go on strike or the company receives unfavorable media attention for its actions, the value of the company may be reduced.

- Risks Associated with Fixed Income: When investing in fixed income instruments such as bonds or notes, the issuer may default on the bond and be unable to make payments. Further, interest rates may increase and the principal value of your investment may decrease. Individuals who depend on set amounts of periodically paid income face the risk that inflation will erode their spending power.
- ETF and Mutual Fund Risk: The pricing of ETFs and mutual funds have an expense ratio reflecting the funds' management fees, operating expenses, and marketing expenses if applicable. The risk of owning an ETF or mutual fund generally reflects the risks of owning the underlying securities the ETF or mutual fund holds. Clients will also incur brokerage costs when purchasing ETFs.
- Options Risk: Options on securities may be subject to greater fluctuations in value than an investment in the underlying securities. Purchasing and writing put and call options are highly specialized activities and entail greater than ordinary investment risks.
- Liquidity Risk: Liquidity risk can also result in unfavorable pricing when exiting (i.e., not being able to quickly get out of an investment before the price drops significantly) a particular investment and therefore, can have a negative impact on investment returns.
- Strategy Risk: Your investments will vary with the success and failure of our investment strategies, research, analysis and determination of portfolio securities. If you implement our financial planning recommendations and our investment strategies do not produce the expected results, you may not achieve your objectives.
- Call Risk: Bonds that are callable carry an additional risk because they may be called prior to maturity depending on current interest rates thereby increasing the likelihood that reinvestment risk may be realized.
- Credit Risk: The price of a bond depends on the issuer's credit rating, or perceived ability to pay its debt obligations. Consequently, increases in an issuer's credit risk, may negatively impact the value of a bond investment.
- Speculation Risk: The financial markets are populated by certain traders

whose primary interest is in making short-term profits by speculating whether the price of a security will go up or go down. The speculative actions of these traders may increase market volatility that could drive down the prices of securities.

- Geopolitical Risk: The risk an investment's returns could suffer as a result of political changes or instability in a country. Instability affecting investment returns could stem from a change in government, legislative bodies, other foreign policy makers or military control.
- Currency Risk: Overseas investments are subject to fluctuations in the value of the dollar against the currency of the investment's originating country. This is also referred to as exchange rate risk.
- Privacy/ Cybersecurity Risk: The risk of actual and attempted cyber-attacks, including denial-of-service attacks, and harm to technology infrastructure and data from misappropriation or corruption, and reputation harm. Due to Parker Investment's interconnectivity with third-party vendors, exchanges, clearing houses and other financial institutions, Parker Investment, and thus indirectly our clients, could be adversely impacted if any of them is subject to a successful cyber-attack or other information security event. Although Parker Investment takes protective measures and endeavors to modify them as circumstances warrant, its computer systems, software and networks may be vulnerable to unauthorized access, misuse, computer viruses or other malicious code and other events that could have a security impact or render Parker Investment unable to transact business on behalf of clients.
- Foreign Market Risk: The securities markets of many foreign countries, including emerging countries, have substantially less trading volume than the securities markets of the United States, and securities of some foreign companies are less liquid and more volatile than securities of comparable United States companies. As a result, foreign securities markets may be subject to greater influence by adverse events generally affecting the market, by large investors' trading significant blocks of securities, or by large dispositions of securities, than as it is in the United States. The limited liquidity of some foreign markets may affect our ability to acquire or dispose of securities at a price and time it believes is advisable. Further, many foreign governments are less stable than that of the United States. There can be no assurance that any significant, sustained instability would not increase the risks of investing in the securities markets of certain countries.
- Epidemics, Pandemics, Outbreaks of Disease and Public Health Issues: Our business activities could be materially adversely affected by pandemics, epidemics and outbreaks of disease in Asia, Europe, North America and/or globally or regionally, such as COVID-19, Ebola, H1N1 flu, H7N9 flu, H5N1 flu, Severe Acute Respiratory Syndrome (SARS), and/or other epidemics,

pandemics, outbreaks of disease, viruses and/or public health issues. Specifically, COVID-19 has spread (and is currently spreading) rapidly around the world since its initial emergence in China in December 2019 and has severely negatively affected (and may continue to materially adversely affect) the global economy and equity markets (including, in particular, equity markets in Asia, Europe and the United States). Although the long-term effects or consequences of COVID-19 and/or other epidemics, pandemics and outbreaks of disease cannot currently be predicted, previous occurrences of other pandemics, epidemics and other outbreaks of disease, such as H5N1 flu, H1N1 flu, SARS and the Spanish flu, had a material adverse effect on the economies and markets of those countries and regions in which they were most prevalent. Any occurrence or recurrence (or continued spread) of an outbreak of any kind of epidemic, communicable disease or virus or major public health issue could cause a slowdown in the levels of economic activity generally (or cause the global economy to enter into a recession or depression), which would adversely affect the business, financial condition and operations of the Adviser. Should these or other major public health issues, including pandemics, arise or spread farther (or continue to spread or materially impact the day to day lives of persons around the globe), the Adviser could be adversely affected by more stringent travel restrictions, additional limitations on the Adviser's operations or business and/or governmental actions limiting the movement of people between regions and other activities or operations (or to otherwise stop the spread or continued spread of any disease or outbreak).

## **Item 9: Disciplinary Information**

Registered investment advisors are required to disclose any material facts regarding any legal or disciplinary actions that would be material to your evaluation of the investment advisor and each investment advisor representative providing investment advice to you.

There are no reportable material, legal, or disciplinary events related to Parker Investment and any of its employees.

In the ordinary course of its business, Parker Investment and its management persons have in the past been, and may in the future be, subject to periodic audits and examinations by the appropriate regulatory authorities like the SEC. Parker Investment may also be subject to claims, litigation, formal and informal regulatory inquiries, subpoenas, employment-related matters, disputes, investigations, and legal or regulatory proceedings, involving the SEC, other regulatory authorities, or private parties.



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

### **10.A Broker-Dealer Affiliations**

Neither our company nor any of our personnel is registered or has an application pending to register as a broker-dealer or a registered representative of a broker-dealer.

### **10.B Futures and Commodity Affiliations**

Neither our company nor any of our personnel is registered or has an application pending to register as a futures commission merchant, commodity pool operator, a commodity trading adviser, or an associated person of the foregoing entities.

### **10.C Related Person Affiliations**

We do not believe that Parker Investment has a relationship or arrangement with any related person or company that would create a material conflict of interest with our advisory business or clients.

### **10.D Affiliations with Other Investment Advisers**

We do not recommend or select other investment advisers for Clients and do not receive compensation directly or indirectly from any other investment advisers.

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

### **Summary Description of Our Code of Ethics**

An investment adviser is considered a fiduciary and our firm has a fiduciary duty to all clients. As a fiduciary, we have a 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. Our fiduciary duty is considered the core underlying principle for our Code of Ethics and the Standards of Professional Conduct ("Code") which also includes Insider Trading and Personal Securities Transactions Policies and Procedures.

In order to address conflicts of interest, we have in place a set of procedures (including a pre-clearing procedure) with respect to transactions effected by our employees. In order to monitor compliance with our personal trading policy, we have a quarterly securities transaction reporting process for all of our employees. Our access persons are required to sign an acknowledgement that they have read, understand, and agree to comply with our Code.

We invest in certain securities that we also invest in for clients. We believe our trading does not create a material difference in the price of securities that we buy and sell in our accounts compared to the prices that we buy and sell these for in our clients' accounts. In order to minimize conflicts of interest, our employees will place client interests ahead of their own interests, adhere to the Firm's Code, and not trade in a way that takes advantage of price

movements caused by Client transactions.

We may restrict trading for a particular security for our accounts or those of our supervised persons if there is a pending trade in that security in a client account.

All persons associated with Parker Investment are required to report all personal securities transactions to the firm quarterly.

A copy of the Code will be furnished to clients or prospective clients upon written request.

## **Item 12: Brokerage Practices**

### **12.A Factors Considered in Broker Selection**

We seek to recommend broker-dealers who will hold your assets and execute transactions on terms that are advantageous when compared to other available providers and their services. We may consider a wide range of factors, including, among others:

- Commissions
- Timeliness of execution
- Research services provided
- Custody services provided
- Financial condition
- Business reputation
- Quality of services

We currently have an arrangement with a custodian through which it provides services that include, among others, brokerage, custody, account administration and other related services. The custodian platform services that assist us in managing and administering clients' accounts include a dedicated client service team for advisers, and software and other technology that (a) provide access to client account data; (b) facilitate trade execution, trade aggregated, and trade allocation for multiple client accounts; (c) provide pricing and other market data; (d) facilitate payment of fees from its clients' accounts; and (e) assist with back-office functions, record keeping, and client reporting.

The custodian does not charge the Firm separately for custody services but is compensated by account holders through commissions and other transaction-related or asset-based fees for securities trades that are executed through the custodian or settle into custodian accounts. We recommend this custodian and its trading platform for client accounts for the following reasons: (a) no fees for opening or maintaining accounts; (b) no fees for buying or selling no-load mutual funds as part of our core strategy provided that these funds are held for their minimum holding period, except as described in "Item 5: Fees and Compensation"; (c) one-day settlement (e.g., the proceeds from a sale are available in the account on the next market day) on the sale of most mutual funds and two-day settlement on the sale of

ETFs; (d) online access at no charge for clients to monitor account activity and to get copies of recent monthly, year-end, and tax-reporting statements; (e) year-end tax-reporting information; (f) the custodian provides trading execution software, electronic detailed snapshots and trading history of all accounts, electronic trade confirmations of all trades placed, electronic monthly and year-end statements for all accounts, and a full range of back-office support staff and functions; and (g) working with one broker-dealer and trading platform simplifies and reduces the chance of error in our advisory functions.

Broker-dealers may make certain research and brokerage services available at no additional cost to the Firm. These services may be directly from independent research companies, as selected by the Firm. Research products and services provided by broker-dealers may include research reports on recommendations or other information about particular companies or industries; economic surveys, data and analyses; financial publications; portfolio evaluation services; financial database software and services; computerized news and pricing services; and other products or services that provide lawful and appropriate assistance by broker-dealers to the Firm in its investment decision-making responsibilities.

We do not use client brokerage commissions to obtain research or other products or services. The aforementioned research and brokerage services are used by the Firm to manage accounts for which we have investment discretion. Without arrangements like these, the Firm might be compelled to purchase the same or similar services at our own expense.

As a result of receiving these services, we may have an incentive to continue to use or expand the use of the custodian's services. The Firm examined this potential conflict of interest when we chose to enter into the relationship with a custodian, and we generally believe that the relationship is in the best interest of our clients.

Our clients may pay a commission to the custodian that is higher than another custodian might charge to effect the same transaction. In seeking best execution, the determinative factor is not necessarily the lowest possible cost, but whether the transaction represents the best qualitative execution, taking into consideration the full range of a custodian's services, including factors such as the value of research provided, execution capability, and commission rates. Accordingly, although we will seek competitive rates, to the benefit of all clients, we may not necessarily obtain the lowest possible commission rates for specific client account transactions.

Parker performs its best execution obligation to take all sufficient steps to obtain consistently over time the best possible results for our clients when executing or placing, or transmitting, client orders by assessing the relative weight and importance of various execution factors and other relevant considerations under the particular circumstances.

On trades that involve illiquid securities, Fidelity may not allow the Firm to place market orders, but rather may require Parker to only enter limit orders. In addition, there is an asset under management (AUM) restriction in that Fidelity restricts Parker where Parker cannot trade in any calendar day more than 25% of its assets under management without having performed some or all of the trade allocations before market close. As a result, this restriction may impede Parker's ability to provide best execution. In such cases, block trades done after the trade allocations have been performed may receive different, and perhaps less favorable, prices than they would have otherwise received had Fidelity not imposed

such restrictions on trading and trade allocations.

Parker notes the amount of the transaction cost is not the sole determinant in custodian selection and that the Firm considers the full range and quality of a custodian's services, including, among other things, execution capability, the value of research provided, commission rates, and responsiveness to the Firm. As part of its duty to best execution, Parker must periodically and systematically evaluate the execution performance of all broker-dealers executing the firm's transactions.

### **Disclosure Regarding Mutual Funds**

Many investors turn to mutual funds to meet their long-term financial goals. They offer the benefits of diversification and professional management and are seen as an easy and efficient way to invest. A mutual fund is an investment company that pools assets from many investors and invests the money in stocks, bonds and other securities or assets in some combination. The holdings of the mutual fund are its "portfolio." Each share of the mutual fund represents an investor's proportionate ownership of the fund's holdings and the income those holdings may generate. There are a wide variety of mutual funds available for residents of the United States and outside of the United States, covering a range of strategies and risks, including stock, fixed income, balanced, multi-asset and index funds. Although many mutual funds available through our custodian will follow a traditional long-only investment strategy, some mutual funds may utilize more complex investment strategies similar to those employed by alternative funds, including hedge funds and private equity funds. All mutual funds carry risk. Your investment will go up and down in value. You can lose some or all of your money. Your earnings can fluctuate too. All mutual funds have costs that lower your investment returns.

Before you invest, be sure to read the mutual fund's prospectus to learn about the specific mutual fund you're considering. The fund prospectus contains important information regarding the fund's investment objectives, strategies, risks, charges, expenses and other matters significant to your investment choice. To obtain a prospectus, please contact the custodian.

In general, there are fees you pay to a mutual fund company and/or financial intermediary when you purchase a mutual fund. Mutual funds are offered in different share classes, and these fees may vary based on which share class you purchase. Each share class invests in the same investment portfolio of securities but has different sales charges and expenses. Some mutual funds charge a fee (known also as a "load") to purchase shares, which is paid when you buy or sell the fund. The mutual funds we will recommend to you through our custodian's full-service brokerage platform do not carry a front-end or other sales charge.

Investors should be aware that funds and the share class of a fund available through our custodian full-service brokerage platform may differ from the funds or the share classes available to similar accounts managed by or held at other firms. Clients should contact Parker for information about any limitations on share classes available through the custodian/broker-dealer.

Other funds and/or share classes may not be available to you through our custodian. If they are available in limited circumstances, you typically pay an annual fee based on a percentage of the value of the assets held in your account, including the value of the fund

shares. No-load mutual funds may be purchased directly through many mutual fund companies without intervention of a financial intermediary. Please consult the prospectus for the fund in which you are interested in directly on how to do so.

#### **12.A.1 Research and Other Soft Dollar Benefits**

We do not direct client transactions to a particular broker-dealer in return for soft dollar benefits. Although the investment research products and services that may be obtained by the Firm will generally be used to service all of our clients, a brokerage commission paid by a specific client may be used to pay for research that is not used in managing that specific client's account.

#### **12.A.2 Brokerage for Client Referrals**

We presently do not receive client referrals from broker-dealers.

#### **12.A.3 Directed Brokerage**

We presently do not permit clients to direct brokerage.

### **12.B Aggregation of Securities Transactions in Client Accounts**

We perform investment management services for various clients. There are occasions on which individual equities and ETFs may be transacted as part of concurrent authorizations to purchase or sell the same individual equities and ETFs for numerous accounts served by the Firm, which involve accounts with similar investment objectives ("block transactions"). When such concurrent authorizations occur, the objective is to allocate the executions in a manner which is equitable to the accounts involved. We attempt to allocate trade executions in an equitable manner, taking into consideration client objectives, current asset allocation and availability of funds. We are not required to engage in block transactions. Due to client-specific scenarios, we may not always use block transactions.

## **Item 13: Review of Accounts**

### **13.A Periodic Account Reviews and Reviewers**

The President assisted by the Vice President generally reviews the clients' holdings on a daily basis.

### **13.B Other Account Review Triggers**

Factors which may trigger a more detailed level of review include changes in the market, tax considerations, size of trade, size of allocations to market sectors, information about certain securities, conversations with the clients, among other factors.

### **13.C Content of Regular Reports**

We do not provide regular reports or create account statements. However, we may provide ad-hoc customized reports showing performance or other information from time to time.

Also, clients should receive monthly statements directly from the custodian. These statements show all trades made in the client's account, the securities positions and the account value. The clients may be able to obtain information about their accounts directly from the custodian through the custodian's website on a real-time basis.

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

### **14.A Incoming Referrals**

Parker Investment does not compensate third-parties for referrals to Parker Investment. Additionally, Parker Investment does not receive any economic benefits from non-clients as a result of our provision of investment advice or advisory services to clients, with the exception of research or execution-related products or services that may be provided by the broker-dealers that we use to execute client transactions. Please refer to the "Brokerage Practices" section above for additional information on these products or services.

### **14.B Other Compensation**

We do not compensate anyone, either directly or indirectly, for client referrals.

## **Item 15: Custody**

All client funds and securities are maintained by a qualified custodian.

It is the custodian's responsibility to provide clients with account statements, confirmations of trading activity, tax forms and monthly account statements. We urge all clients to review the custodian's statements to confirm that all account transactions, including deductions to pay our management fees, remain proper and to contact us with any questions. We urge all clients that receive any reports from Parker Investment to review those reports and to contact us with any questions.

## **Item 16: Investment Discretion**

We accept all clients on a discretionary basis. Each client completes and signs our Investment Management Agreement ("IMA") which includes a Limited Power of Attorney ("LPOA"), giving us the authority to carry out various activities in the account, subject to any account specific or client specific instructions. We then direct investment of the client's portfolio using our discretionary authority.

Restrictions on our discretionary authority may be set by the client on an account by account basis. A client may give us instructions regarding the allocation of an account between different asset classes, such as fixed income, equities, and cash, or may instruct us to purchase or sell specific securities or specific types of securities. We reserve the right to not accept requests to purchase or sell securities which are not highly liquid or securities which we do not follow.

## **Item 17: Voting Client Securities**

We do not accept proxy authority to vote client securities. The custodian of the account

normally provides proxy materials directly to the client. Clients may contact us with questions relating to proxy procedures and proposals; however, we generally do not research particular proxy proposals.

## **Item 18: Financial Information**

Parker Investment does not have any financial commitments that impair our ability to meet our contractual obligations to our clients.

## **Form ADV Part 2B Brochure Supplement**

Parker Investment Management, LLC

PO Box 1088  
Menlo Park, CA 94026

Phone: 650-326-0387  
Email: [Staff@ParkerInvest.com](mailto:Staff@ParkerInvest.com)

This brochure supplement provides information about John Parker that supplements the Parker Investment Management, LLC brochure. You should have received a copy of that brochure. Please contact us if you did not receive Parker Investment Management, LLC's brochure or if you have any questions about the contents of this supplement.

While Parker Investment Management, LLC may refer to itself as a "registered investment advisor" or "RIA", clients should be aware that registration itself does not imply any level or skill or training.

Additional information about John Parker is available on the SEC's website at  
[www.adviserinfo.sec.gov](http://www.adviserinfo.sec.gov).

Date of the Supplement: March 23, 2023



## **Educational Background and Business Experience**

Mr. Parker was born in 1944. His formal education background is a BA in English from Yale University in 1974.

Beginning in 1987, Mr. Parker began providing investment services to clients on a part-time basis in exchange for a discretionary fee, and in 1996 Mr. Parker was providing these services on a full-time basis. Mr. Parker's firm became a federally registered investment advisor in 1999, and in 2010 changed the form of his business to a single-member LLC.

## **Disciplinary Information**

Mr. Parker has not been subject to any legal or disciplinary events. Clients and prospective clients can view the CRD records (registration records) for Mr. Parker through the SEC's Investment Adviser Public Disclosure (IAPD) website at [www.adviserinfo.sec.gov](http://www.adviserinfo.sec.gov).

## **Other Business Activities**

Mr. Parker is not engaged in any investment-related business outside of Parker Investment Management, LLC, nor does he have any applications to register with a broker-dealer or other investment firm. Mr. Parker does not receive any commissions, bonuses or other compensation based on the sale of securities or other investment products.

## **Additional Compensation**

Mr. Parker does not receive any economic benefit from non-clients for the provision of advisory services. Mr. Parker is the sole owner of Parker Investment Management, LLC and as such, is entitled to share in Parker Investment Management, LLC's profits.

## **Supervision**

Mr. Parker is the sole owner of Parker Investment Management, LLC, and his trading activity is subject to regular review by the firm's Chief Compliance Officer.

**Form ADV Part 2B Brochure Supplement**

**Shijun Liu**

Parker Investment Management, LLC

PO Box 1088  
Menlo Park, CA 94026

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This brochure supplement provides information about Shijun Liu, CFA, CIPM, CFP® that supplements the Parker Investment Management, LLC brochure. You should have received a copy of that brochure. Please contact us if you did not receive Parker Investment Management, LLC's brochure or if you have any questions about the contents of this supplement.

While Parker Investment Management, LLC may refer to itself as a "registered investment advisor" or "RIA", clients should be aware that registration itself does not imply any level or skill or training.

Additional information about Shijun Liu, CFA, CIPM, CFP® is available on the SEC's website at [www.adviserinfo.sec.gov](http://www.adviserinfo.sec.gov).

Date of the Supplement: March 23, 2023

## **Educational Background and Business Experience**

Mr. Liu was born in 1981. His formal education background is a BS in Computer Systems Engineering from Stanford University in 2003.

Mr. Liu has worked for the firm since 2005 and assists Mr. Parker in building and executing the firm's investment strategies consistent with the firm's policies and guidelines and within the parameters specified by the firm's clients.

Mr. Liu is an active member of the CFA Institute and the CFA Society of San Francisco and is a CFA® charterholder. In addition, Mr. Liu holds the CERTIFIED FINANCIAL PLANNER™ certification (CFP®) and is an active member of the Financial Planning Association (FPA) of Silicon Valley. Mr. Liu also holds the Certificate in Investment Performance Measurement (CIPM®) designation from the CFA Institute.

## **Disciplinary Information**

Mr. Liu has not been subject to any legal or disciplinary events. Clients and prospective clients can view the CRD records (registration records) for Mr. Liu through the SEC's Investment Adviser Public Disclosure (IAPD) website at [www.adviserinfo.sec.gov](http://www.adviserinfo.sec.gov).

## **Other Business Activities**

Mr. Liu is not engaged in any investment-related business outside of Parker Investment Management, LLC, nor does he have any applications to register with a broker-dealer or other investment firm. Mr. Liu does not receive any commissions, bonuses or other compensation based on the sale of securities or other investment products.

## **Additional Compensation**

Mr. Liu receives no other form of compensation.

## **Supervision**

Mr. Liu is supervised by Mr. Parker, who must approve all trades placed in client accounts on behalf of Parker Investment Management, LLC.