

## Item 1: Cover Page

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# Invariant Investment Management LLC

## Form ADV Part 2A Brochure

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This brochure provides information about the qualifications and business practices of Invariant Investment Management LLC. If you have any questions about the contents of this brochure, please contact us at the telephone number or email address listed above. The information in this brochure has not been approved or verified by the United States Securities and Exchange Commission or by any state securities authority. Invariant Investment Management LLC is a registered investment adviser, but registration does not imply a certain level of skill or training.

Additional information about Invariant Investment Management LLC is also available on the SEC's website at [www.adviserinfo.sec.gov](http://www.adviserinfo.sec.gov) and by searching for CRD#168772.

## Item 2: Material Changes

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In this Item, Invariant Investment Management LLC is required to identify and discuss material changes since filing its last annual amendment. Since filing its last annual amendment on February 28, 2022, the following material changes have occurred:

Effective Date	Brochure Item(s)	Description
December 31, 2022	Item 12	We no longer utilize Charles Schwab & Co., Inc. as a custodial broker-dealer. We now utilize LPL Financial LLC.

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## Item 4: Advisory Business

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- A. Invariant Investment Management LLC (“Adviser”) is an investment adviser founded in August 2013, registered with the U.S. Securities and Exchange Commission (“SEC”), and is principally owned by Seth Arbogast and David Borowsky.
- B. Adviser offers the following types of advisory services:
- i. Portfolio Management Services: Adviser offers ongoing portfolio management services directly to investing clients based on the individual goals, objectives, time horizon, and risk tolerance of each client. Adviser creates an Investment Policy Statement for each client, which outlines his or her current holistic financial situation.

Portfolio management services include, but are not limited to, the following:

- Investment strategy recommendations
- Personal investment policy crafting
- Asset allocation recommendations
- Asset selection recommendations
- Risk tolerance evaluations
- Ongoing portfolio monitoring

Adviser evaluates the current investments of each client with respect to his/her risk tolerance levels and time horizon. Risk tolerance levels are documented in the Investment Policy Statement, which is given to each client.

Portfolio Management Services are primarily offered on a discretionary basis, in which case Adviser will be granted a limited power of attorney by clients to buy and sell securities in their accounts. Adviser will manage client portfolios on an ongoing basis in-line with the Investment Policy Statement, which may involve periodic rebalancing transactions and portfolio adjustments as necessary in its discretion. Alternatively, Adviser offers non-discretionary Portfolio Management Services, in which case clients will be required to approve purchases and sales of securities by Adviser before implementation into their portfolios.

- ii. Financial Planning Services: Financial Planning Services are generally included as part of Adviser’s Portfolio Management Services for no additional fee, but from time Adviser may also offer a one-time, standalone financial plan for a client that does not otherwise receive portfolio management services. Such Financial Planning Services generally incorporate analyses and recommendations with respect to cash flow, savings, retirement planning, investment composition, tax efficiency, debt reduction, and estate planning (among other related topics). Since Adviser’s financial planning recommendations are often dependent on clients implementing such recommendations in conjunction with their own independent legal, tax, and other professionals, Adviser does not provide any legal, tax, or other professional advice in conjunction with its Financial Planning or other services.
- iii. Subadvisory Services: Adviser also offers ongoing portfolio management services in the capacity of a subadviser to other independent and unaffiliated registered investment advisers (“Independent Advisers”) and their respective investing clients. In this sub-advisory capacity, Adviser builds and manages model investment portfolios (“Model Portfolios”) that are designed to incorporate varying levels of risk, return potential, asset class exposure, and securities allocation. Though the Independent Advisers are

responsible for selecting and implementing the Model Portfolios for their respective clients, Adviser retains the responsibility to trade and rebalance the Model Portfolios based on its own independent investment research and judgment.

Invariant generally limits its investment advice to mutual funds, equities, fixed income securities, exchange traded funds (“ETFs” (including ETFs in the gold and precious metal sectors), real estate funds (including real estate investment trusts, or “REITs”), non-U.S. securities, commodities, and insurance products including annuities. From time to time and when appropriate to the particular client, Adviser will use other securities to help diversify a portfolio.

- C. Adviser tailors its advisory services to the individual needs of its clients by taking the time to understand clients’ current financial condition, goals, risk tolerance, income, liquidity requirements, investment time horizon, and other information that is relevant to the management of clients’ account(s). This information will then be used to make investment recommendations and decisions that reflect clients’ individual needs and objectives on an initial and ongoing basis. Adviser’s recommendations and decisions will allocate portions of clients’ account(s) to various asset classes classified according to historical and projected risks and rates of return. Clients may impose restrictions on investing in certain securities or types of securities so long as such restrictions may reasonably be implemented by Adviser.
- D. Adviser does not participate in any wrap fee programs.
- E. When we provide investment advice to you regarding your retirement plan account or individual retirement account, we are fiduciaries within the meaning of Title I of the Employee Retirement Income Security Act (“ERISA”) and/or the Internal Revenue Code (the “Code”), as applicable, which are laws governing retirement accounts. The way we make money creates some conflicts with your interests, so we operate under a special rule that requires us to act in your best interest and not put our interest ahead of yours. Under this special rule’s provisions, we must:
- Meet a professional standard of care when making investment recommendations (give prudent advice);
  - Never put our financial interests ahead of yours when making recommendations (give loyal advice);
  - Avoid misleading statements about conflicts of interest, fees, and investments;
  - Follow policies and procedures designed to ensure that we give advice that is in your best interest;
  - Charge no more than is reasonable for our services; and
  - Give you basic information about conflicts of interest.
- F. Adviser manages the following amount of discretionary and non-discretionary client assets calculated as of December 31, 2022:
- |     |                    |              |
|-----|--------------------|--------------|
| i.  | Discretionary:     | \$86,467,162 |
| ii. | Non-Discretionary: | \$365,952    |

## Item 5: Fees and Compensation

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- A. Adviser is compensated for its advisory services by fees charged based on a client's assets under management with Adviser and/or fixed fees. Fees are negotiable, and each client's specific fee schedule is included as part of the investment management agreement signed by Adviser and the client. To the extent a client retains Adviser to deliver a one-time standalone financial plan apart from portfolio management services, Adviser will do so for a fixed fee charged upon plan delivery as described in a separate financial planning agreement.

Adviser's standard annual fee is 1.50% of assets under its management.

- B. Fees are generally deducted in advance on a quarterly basis from clients' assets and based upon the market value of such assets managed by Adviser as of the last day of the prior calendar quarter. Alternatively, clients may elect to be invoiced for fees instead of having fees directly deducted from their account. Fixed fees for financial planning may be paid for via Advice Pay, and generally range between \$1,000 and \$2,000 up front, plus between \$125 to \$250 per month based on the nature and complexity of financial planning services to be rendered to the client. The monthly recurring fees are charged in arrears.
- C. In addition to the fees charged by Adviser, clients will incur brokerage and other transaction costs. Please refer to Item 12: Brokerage Practices, for further information on such brokerage and other transaction costs. Clients will also typically incur additional charges related to the safekeeping and custody of client assets, mutual fund and other product-specific expenses, and ERISA-specific services for accounts subject to ERISA. These additional charges are separate and apart from the fees charged by Adviser.
- D. If Adviser or client terminates the advisory agreement before the end of a quarterly billing period, Adviser's fees will be prorated through the effective date of the termination. The pro rata fees earned for the remainder of the quarterly billing period after the termination will be refunded to client via check or direct deposit.
- E. Neither Adviser nor any of its supervised persons accepts compensation for the sale of securities or other investment products.

## Item 6: Performance-Based Fees & Side-By-Side Management

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Neither Adviser nor any of its supervised persons accepts performance-based fees (fees based on a share of capital gains or capital appreciation of the assets of a client).

## Item 7: Types of Clients

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Adviser generally provides its services to individuals, high-net-worth individuals, trusts, estates, business entities, charitable organizations and pension and profit sharing plans. Adviser does not require a minimum account value of any of its clients.



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

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- A. The investment strategies used by Adviser when formulating investment advice or managing assets include fundamental analysis, technical analysis, cyclical analysis, and implementation of the tenets of modern portfolio theory. Investing in securities involves risk of loss that clients should be prepared to bear. Past performance does not guarantee future returns.
- B. Like any investment strategy, fundamental analysis, technical analysis, cyclical analysis, and implementation of the tenets of modern portfolio theory involve material risks. Such material risks are described in further detail below:
- i. Investing for the long term means that a client's account will be exposed to short-term fluctuations in the market and the behavioral impulse to make trading decisions based on such short-term market fluctuations. Adviser does not condone short-term trading in an attempt to "time" the market, and instead coaches clients to remain committed to their financial goals. However, investing for the long term can expose clients to risks borne out of changes to interest rates, inflation, general economic conditions, market cycles, geopolitical shifts, and regulatory changes.
  - ii. Investing for the short term means that a client's account may be more frequently traded, and that the client can experience risks related to liquidity, economic stability and inflation, in addition to the long-term trading risks listed above. Frequent trading can affect investment performance, particularly through increased brokerage and other transaction costs and taxes.
  - iii. Fundamental analysis concentrates on factors that determine a company's value and expected future earnings. This strategy would normally encourage equity purchases in stocks that are undervalued or priced below their perceived value. The risk assumed is that the market will fail to reach expectations of perceived value.
  - iv. Technical analysis attempts to predict a future stock price or direction based on market trends. The assumption is that the market follows discernible patterns and if these patterns can be identified then a prediction can be made. The risk is that markets do not always follow patterns and relying solely on this method may not work long term.
  - v. Cyclical analysis assumes that the markets react in cyclical patterns which, once identified, can be leveraged to provide performance. The risks with this strategy are two-fold: 1) the markets do not always repeat cyclical patterns and 2) if too many investors begin to implement this strategy, it changes the very cycles these investors are trying to exploit.
  - vi. Modern Portfolio Theory assumes that investors are risk averse, meaning that given two portfolios that offer the same expected return, investors will prefer the less risky one. Thus, an investor will take on increased risk only if compensated by higher expected returns. Conversely, an investor who wants higher expected returns must accept more risk. The exact trade-off will be the same for all investors, but different investors will evaluate the trade-off differently based on individual risk aversion characteristics. The implication is that a rational investor will not invest in a portfolio if a second portfolio exists with a more favorable risk-expected return profile – i.e., if for that level of risk an alternative portfolio exists which has better expected returns.

- C. Investing in mutual funds does not guarantee a return on investment, and shareholders of a mutual fund may lose the principal that they've invested into a particular mutual fund. Mutual funds invest into underlying securities that comprise the mutual fund, and as such clients are exposed to the risks arising from such underlying securities. Mutual funds charge internal expenses to their shareholders (which can include management fees, administration fees, shareholder servicing fees, sales loads, redemption fees, and other fund fees and expenses, e.g.), and such internal expenses subtract from its potential for market appreciation. Shares of mutual funds may only be traded at their stated net asset value ("NAV"), calculated at the end of each day upon the market's close.

Investing in exchange traded funds ("ETFs") bears similar risks and incurs similar costs to investing mutual funds as described above. However, shares of an ETF may be traded like stocks on the open market and are not redeemable at an NAV. As such, the value of an ETF may fluctuate throughout the day and investors will be subject to the cost associated with the bid-ask spread (the difference between the price a buyer is willing to pay (bid) for an ETF and the seller's offering (asking) price).

Clients are encouraged to carefully read the prospectus of any mutual fund or ETF to be purchased for investment to obtain a full understanding of its respective risks and costs.

Fixed income investments generally pay a return on a fixed schedule, though the amount of the payments can vary and include corporate and government debt securities, leveraged loans, high yield, and investment grade debt and structured products, such as mortgage and other asset-backed securities, although individual bonds may be the best known type of fixed income security. In general, the fixed income market is volatile, and fixed income securities carry interest rate risk. (As interest rates rise, bond prices usually fall, and vice versa. This effect is usually more pronounced for longer-term securities.) Fixed income securities also carry inflation risk, liquidity risk, call risk and credit and default risks for both issuers and counterparties. The risk of default on treasury inflation protected/inflation linked bonds is dependent upon the U.S. Treasury defaulting (extremely unlikely); however, they carry a potential risk of losing share price value, albeit rather minimal. Risks of investing in foreign fixed income securities also include the general risk of non-U.S. investing described below.

Real Estate funds (including REITs) face several kinds of risk that are inherent in the real estate sector, which historically has experienced significant fluctuations and cycles in performance. Revenues and cash flows may be adversely affected by: changes in local real estate market conditions due to changes in national or local economic conditions or changes in local property market characteristics; competition from other properties offering the same or similar services; changes in interest rates and in the state of the debt and equity credit markets; the ongoing need for capital improvements; changes in real estate tax rates and other operating expenses; adverse changes in governmental rules and fiscal policies; adverse changes in zoning laws; the impact of present or future environmental legislation and compliance with environmental laws.

Commodities are tangible assets used to manufacture and produce goods or services. Commodity prices are affected by different risk factors, such as disease, storage capacity, supply, demand, delivery constraints and weather. Because of those risk factors, even a well-diversified investment in commodities can be uncertain.

Non-U.S. securities present certain risks such as currency fluctuation, political and economic change, social unrest, changes in government regulation, differences in accounting and the lesser degree of accurate public information available.

## Item 9: Disciplinary Information

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There are no legal or disciplinary events that are material to a client's or prospective client's evaluation of Adviser's advisory business or the integrity of Adviser's management.

## Item 10: Other Financial Industry Activities & Affiliations

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- A. Neither Adviser nor any of its management persons are registered, or have an application pending to register, as a broker-dealer or a registered representative of a broker-dealer.
- B. Neither Adviser nor any of its management persons are registered, or have an application pending to register, as a futures commission merchant, commodity pool operator, a commodity trading advisor, or an associated person of the foregoing entities.
- C. Neither Adviser nor any of its management persons has any relationship or arrangement that is material to its advisory business or to clients with any related person listed below:
- i. broker-dealer, municipal securities dealer, or government securities dealer or broker
  - ii. investment company or other pooled investment vehicle (including a mutual fund, closed-end investment company, unit investment trust, private investment company or "hedge fund," and offshore fund)
  - iii. other investment adviser or financial planner
  - iv. futures commission merchant, commodity pool operator, or commodity trading advisor
  - v. banking or thrift institution
  - vi. accountant or accounting firm
  - vii. lawyer or law firm
  - viii. insurance company or agency
  - ix. pension consultant
  - x. real estate broker or dealer
  - xi. sponsor or syndicator of limited partnerships
- D. One of Adviser's investment adviser representatives, Joseph DeMuro, is the owner of Money Coaching Solutions. As a matter of practice, Mr. DeMuro does not solicit clients of Adviser to receive the services of Money Coaching Solutions; however, he will make clients aware of such services in the event clients have a friend or family member that may benefit from such services. The Coaching consists of having a conversation about money with his separate clients, and no product is recommended or sold. The Coaching will occur over the phone, on computer, or in person at the office or at a chosen site, and the session lasts approximately one hour. To the extent any clients of Adviser are interested in Coaching, Mr. DeMuro may offer clients advice from those activities and clients should be aware that these services may involve a conflict of interest to the extent Mr. DeMuro receives additional compensation directly from the client in addition to advisory fees the client may pay to Adviser. Invariant Investment Management LLC always acts in the best interest of the client and clients are in no way required to utilize the services of any representative of Adviser in such individual's outside capacities.
- E. Invariant Tax Services LLC ("ITS") is a wholly-owned subsidiary of Adviser that provides tax preparation and e-filing services to its clients. To the extent that portfolio management clients are presented with an opportunity to utilize the services of ITS, this presents a conflict of interest due to the additional compensation that Adviser will receive from such tax preparation and e-filing services performed for clients. Adviser addresses this conflict of interest by fully disclosing it in this brochure, by entering into an ITS agreement with clients that includes the fees that such clients will pay, and by advising clients that they are not obligated to utilize the tax preparation and e-filing services of ITS.

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

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- A. Adviser has adopted a code of ethics that will be provided to any client or prospective client upon request. Adviser's code of ethics describes the standards of business conduct that Adviser requires of its supervised persons, which is reflective of Adviser's fiduciary obligations to act in the best interests of its clients. The code of ethics also includes sections related to compliance with securities laws, reporting of personal securities transactions and holdings, reporting of violations of the code of ethics to Adviser's Chief Compliance Officer, pre-approval of certain investments by access persons, and the distribution of the code of ethics and any amendments to all supervised persons followed by a written acknowledgement of their receipt.
- B. Neither Adviser nor any of its related persons recommends to clients, or buys or sells for client accounts, securities in which Adviser or any of its related persons has a material financial interest.
- C. From time to time, Adviser or its related persons will invest in the same securities (or related securities such as warrants, options or futures) that Adviser or a related person recommends to clients. This has the potential to create a conflict of interest because it affords Adviser or its related persons the opportunity to profit from the investment recommendations made to clients. Adviser's policies and procedures and code of ethics address this potential conflict of interest by prohibiting such trading by Adviser or its related persons if it would be to the detriment of any client and by monitoring for compliance through the reporting and review of personal securities transactions. In all instances Adviser will act in the best interests of its clients.
- D. From time to time, Adviser or its related persons will buy or sell securities for client accounts at or about the same time that Adviser or a related person buys or sells the same securities for its own (or the related person's own) account. This has the potential to create a conflict of interest because it affords Adviser or its related persons the opportunity to trade either before or after the trade is made in client accounts, and profit as a result. Adviser's policies and procedures and code of ethics address this potential conflict of interest by prohibiting such trading by Adviser or its related persons if it would be to the detriment of any client and by monitoring for compliance through the reporting and review of personal securities transactions. In all instances Adviser will act in the best interests of its clients.

## Item 12: Brokerage Practices

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- A. Adviser considers several factors when recommending a custodial broker-dealer for client transactions and determining the reasonableness of such custodial broker-dealer's compensation. Such factors include the custodial broker-dealer's industry reputation and financial stability, service quality and responsiveness, execution price, speed and accuracy, reporting abilities, and general expertise. Assessing these factors as a whole allows Adviser to fulfill its duty to seek best execution for its clients' securities transactions. However, Adviser does not guarantee that the custodial broker-dealer recommended for client transactions will necessarily provide the best possible price, as price is not the sole factor considered when seeking best execution. After considering the factors above, Adviser recommends LPL Financial LLC ("LPL") and SSG Capital Advisors, LLC ("SSG") as the custodial broker-dealers for client accounts.
- i. Adviser does not receive research and other soft dollar benefits in connection with client securities transactions, which are known as "soft dollar benefits". However, the custodial broker-dealer(s) recommended by Adviser do provide certain products and services that are intended to directly benefit Adviser, clients, or both. Such products and services include (a) an online platform through which Adviser can monitor and review client accounts, (b) access to proprietary technology that allows for order entry, (c) duplicate statements for client accounts and confirmations for client transactions, (d) invitations to the custodial broker-dealer(s)' educational conferences, (e) practice management consulting, and (f) occasional business meals and entertainment. This has the potential to create a conflict of interest to the extent that it may incentivize Adviser to recommend LPL and SSG as the custodial broker-dealers for client accounts. Adviser addresses this potential conflict of interest by disclosing the receipt of such benefits in this brochure, by independently evaluating custodial broker-dealers to recommend to clients, and by avoiding conflicts of interest that may impair its independent business judgment and fiduciary duty to clients.
  - ii. Adviser does not consider, in selecting or recommending custodial broker-dealers, whether Adviser or a related person receives client referrals from a custodial broker-dealer or third-party.
  - iii. Adviser does not routinely recommend, request, or require that a client direct Adviser to execute transactions through a specified custodial broker-dealer.
- B. Adviser retains the ability to aggregate the purchase and sale of securities for clients' accounts with the goal of seeking more efficient execution and more consistent results across accounts. Aggregated trading instructions will not be placed if it would result in increased administrative and other costs, custodial burdens, or other disadvantages. If client trades are aggregated by Adviser, such aggregation will be done so as to not to disadvantage any client and to treat all clients as fairly and equally as possible.

## Item 13: Review of Accounts

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- A. A portfolio manager monitors client accounts on an ongoing basis, and typically reviews client accounts on a quarterly basis in conjunction with the review of a periodic portfolio drift report. Such reviews are designed to ensure that the client is still on track to achieve his or her financial goals, and that the investments remain appropriate given the client's risk tolerance, investment objectives, major life events, and other factors. Clients are encouraged to proactively reach out to Adviser to discuss any changes to their personal or financial situation.
- B. Other factors that may trigger a review include, but are not limited to, material developments in market conditions, material geopolitical events, and changes to a client's personal or financial situation (the birth of a child, preparing for a home purchase, plans to attend higher education, a job transition, impending retirement, death or disability among family members, etc.).
- C. The custodial broker-dealer for client's account will send account statements and reports directly to clients no less frequently than quarterly. Such statements and reports will be mailed to clients at their address of record or delivered electronically, depending on the client's election. If agreed to by Adviser and client, Adviser or a third-party report provider will also send clients reports to assist them in understanding their account positions and performance, as well as the progress toward achieving financial goals.

## Item 14: Client Referrals and Other Compensation

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- A. Nobody other than clients provides an economic benefit to Adviser for providing investment advice or other advisory services to clients. However, as described above in Item 12, the custodial broker-dealer(s) recommended for client accounts provides certain products and services that are intended to directly benefit Adviser, clients, or both.
- B. Neither Adviser nor a related person directly or indirectly compensates a person who is not Adviser's supervised person for client referrals.



## Item 15: Custody

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For clients that do not have their fees deducted directly from their account(s) and have not provided Adviser with any standing letters of authorization to distribute funds from their account(s), Adviser will not have any custody of client funds or securities. For clients that have their fees deducted directly from their account(s) or that have provided Adviser with discretion as to amount and timing of disbursements pursuant to a standing letter of authorization to disburse funds from their account(s), Adviser will typically be deemed to have limited custody over such clients' funds or securities pursuant to the SEC's custody rule and subsequent guidance thereto. At no time will Adviser accept full custody of client funds or securities in the capacity of a custodial broker-dealer, and at all times client accounts will be held by a third-party qualified custodian as described in Item 12, above.

If a client receives account statements from both the custodial broker-dealer and Adviser or a third-party report provider, client is urged to compare such account statements and advise Adviser of any discrepancies between them.

## Item 16: Investment Discretion

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For certain accounts, Adviser accepts discretionary authority to manage securities accounts on behalf of clients only pursuant the mutual written agreement of Adviser and the client through a power-of-attorney, which is typically contained in the advisory agreement signed by Adviser and the client. Clients may place reasonable limitations on this discretionary authority so long as it is contained in a written agreement and/or power-of-attorney.

## Item 17: Voting Client Securities

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- A. Adviser does not have and will not accept authority to vote client securities.
- B. Clients will 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.

## Item 18: Financial Information

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- A. Adviser does not require or solicit prepayment of more than \$1,200 in fees per client, six months or more in advance.
- B. Adviser does not have discretionary authority or custody of client funds or securities, require or solicit prepayment of more than \$1,200 in fees per client, six months or more in advance.